Entyr Limited
Appendix 4E
Preliminary Final Report

1. Company details

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

2. Results for announcement to the market

			2023 $	2022 $
Revenue from ordinary activities	Up	88% to	5,380,063	2,865,000
Loss from ordinary activities after tax attributable to owners of Entyr Limited	Up	20% to	(10,175,269)	(8,487,031)
Loss for the period attributable to owners of Entyr Limited	Up	20% to	(10,175,269)	(8,487,031)

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

3. Net tangible assets

	Reporting period cents	Previous period cents
Net tangible assets per ordinary security	0.603	1.419

As at 30 June 2023, the net tangible assets per ordinary security presented above is exclusive of right-of-use assets and inclusive of lease liabilities.

4. Control gained over entities
Not applicable.

5. Loss of control over entities
Not applicable.

6. Dividend reinvestment plans
Not applicable.

7. Details of associates and joint venture entities
Not applicable.

8. Foreign entities
Not applicable.

9. Audit qualification or review
The financial statements have been audited and an unmodified opinion has been issued.

10. Attachments
The Directors' Report, Financial Report & Auditors Report for the year ended 30 June 2023 is attached.

11. Investor presentation
There will be an investor presentation on Monday 11th September at 11am AEST. Webinar details will be provided in a separate release.

ENTYR LIMITED CONSOLIDATED GROUP

ABN 90 118 710 508

Annual Financial Report
30 June 2023

Contents

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

Operations Report

The 2023 financial year delivered valuable learnings and validations that have enabled further optimisation in plant design and operational planning. Specific achievements in business KPIs for the year include:

- ✓ **Revenue growth of 88%** to $5.380m up from $ 2.865m
- ✓ **Tyre collection volume growth of 71%** to 9549t up from 5558t
- ✓ **Tyre collection selling price growth of 34.5%** ASP $487/t up from $362/t
- ✓ **Tyre collection customers growth up 29%** to 601 up from 466
- ✓ **Thermally processed tyres volume up 41%** to 3195t up from 2268t
- ✓ **Record processing throughput rates achieved** 750t 30-day rolling average

In addition to the quantified outcomes, the operations at the Stapylton site delivered valuable learnings and key validations that have enabled further optimisation in plant design and operational planning. This is being applied in the material handling infrastructure installation and plant and equipment upgrade activities commencing June 2023 through anticipated completion in December 2023.

During the financial year and to the date of the report additional funding was successfully secured through capital-raising efforts totalling $13.78 million net of raising fees.

The Company has made significant strides in its journey towards full-scale commercialisation of the Stapylton site by successfully executing a strategic focus across the four pivotal areas set out below. This approach has laid a strong foundation for future Group value creation.

1. Feedstock Revenue – improvements in Volume, Price, and Logistics

The Company built a reliable customer base to deliver an annual feedstock volume of 20,000 tonnes, essential for operations at full capacity. Additionally, the Company honed pricing optimisation strategies and made substantial progress in improving logistical capabilities and efficiency.

2. Operational Capability

Key infrastructure enhancements were made including the installation of a Rasper, Tank farm, and Shredder, as well as complementary operational HR investments in skills development and in-house maintenance capabilities. The Company achieved an operational throughput milestone with a rolling 30-day average of 750 tonnes. Yard improvements encompassed hardstand resurfacing, ring road development, and first flush drainage device installation.

3. Domestic Offtake Products Revenue & Market Development

The Company focused on promoting and securing offtakes for its Tyre Derived Fuel Oil (TDFO), recovered Carbon Black (rCB), and steel products with agreements secured with the Australian Road Research Board (ARRB) and Downer. A successful Victorian Roads trial using rCB was also completed during the year further promoting rCB's market adoption.

4. Expansion Opportunities, Funding, and International rCB Markets

The Company rebranded as Entyr to align its market positioning and purpose. The Company submitted Grant applications to the Queensland Government for funding to enhance commercial out puts of its Stapylton facility. A decision on the Grant funding is still pending with the Government. In addition to exploring expansion possibilities in Victoria, there are also emerging international opportunities for rCB as a replacement for virgin Carbon Black.

Operations Report (continued)

Despite a reported loss of $10.176 million after tax for 2023, the Company's strategic focus and operational milestones provide a robust blueprint for future commercial success. The Company's investments in infrastructure, internal capabilities, and market development align well with its four strategic areas of focus for 2023. This positions the Group favourably for growth in both domestic and international markets.

Building on the success of the 2023 financial year, Entyr aims to further its collaboration efforts with governmental bodies and commercial strategic partners to make a lasting impact on the waste tyre landscape, delivering triple-bottom-line benefits to communities, customers, and shareholders.

Directors’ Report

Principal Activities

Entyr Limited ('Entyr') (ASX:ETR) is an Australian listed company with unique technology that has the potential to play a significant role in solving the global waste tyre problem. Our patented Thermal Desorption technology cleanly converts end-of-life tyres into valuable products (fuel, carbon, and steel) using heat in an oxygen free environment.

Entyr is paid a fee to collect end-of-life waste tyres from tyre retailers and other sources and then it uses its technology to process the tyres and manufacture products such as recovered carbon black (rCB) and tyre derived fuel oil (TDFO) that are predominantly sold into the asphalt industry to produce greener, more sustainable outcomes for road infrastructure.

Entyr’s technology has been developed and proven over the last 12 years and the pilot plant has processed more than 2 million tyres to date including running at commercial scale volumes (approx. 9000 annualised tonnes). We are currently in the last phase of installing the infrastructure to convert our pilot facility at Stapylton, Queensland, into a large-scale showcase facility capable of sustainably processing 20,000 tonnes of tyres annually or 2 million tyre equivalents.

With our unique processes and markets for our products, we believe that Entyr is a complete environmental and circular solution for one of the world's largest waste issues.

Significant Changes to Activities

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

Review of Operations

The consolidated loss after tax of the Group for the reporting period was $10,176,269 (2022: loss $8,487,031. The review of operations for the financial 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

On 23 June 2023, shareholders approved Tranche 2 of the placement announced in May 2023 for the issue of 219,968,419 ordinary fully paid shares at a price of 1.7 cents each to raise $3.74 million before issue costs. Directors Mr Michael Barry, Ms Teresa Dyson and Ms Leeanne Bond participated in Tranche 2 of the placement with shareholder approval.

The Company offered eligible shareholders the opportunity to participate in a share purchase plan (SPP) on the same terms as the May 2023 placement. The SPP was completed on 7 July 2023, raising $391,500 before issue costs (23,029,035 shares).

At the 23 June meeting, shareholders also approved the issue of attaching options to the shares issued in Tranche 1 and 2 of the May 2023 placement and the SPP based on one attaching option for every two new shares issued. A total of 234,576,364 attaching options exercisable at 4 cents each with an expiry date of 31 December 2024 were issued. The funds from the placement and SPP were received, and shares and options were issued on 12 July 2023.

Future Developments, Prospects and Business Strategies

The Company continues to build on its unique technology to process volumes at a commercial scale and optimal operating margins. The short to medium-term strategic roadmap has been refined to focus on delivering the following tangible strategic outcomes:

- ✓ Install the materials handling and process efficiency infrastructure required at the Stapylton facility to allow for efficient operations at an annualised volume of 20,000 tonnes.
- ✓ Secure off-take markets for 100% of the plant's production capacity with a focus on the domestic asphalt industry as a priority as well as additional emerging alternate export markets.
- ✓ Secure Government support for the rollout of up to 4 additional facilities in Australia with committed off-take.
- ✓ Advance international expansion with strategic partners.

Material business risks

The Company is subject to risks of both a general nature and ones that are specific to its business activities, including but not limited to:

Plant build and commissioning

The Stapylton plant currently has significant material handling infrastructure installation and plant and equipment upgrade underway with a plan to re-commence full operations in H2 FY24. Delays and disruptions in procuring equipment and commissioning could delay full operational revenues. The Company is managing this risk through rigorous project management process, continuing part operations through the collection and shedding of tyres and operating with reduced employment and other operational expenditures in this period.

Operations Risk

The Company is exposed to the general complexity of business operations, including legal, safety and compliance risks. The Company manages these risks by maintaining an effective risk management framework, health safety and environmental procedures and processes, as well as cyber security and data privacy processes.

Feedstock

The Company requires consistent inbound delivery of used tyres to maintain collections revenue and to feed the plant when operating. The Company has strategically maintained its collections levels through reduced or non-operating periods to ensure that the supply relationships and the associated revenues are maintained.

Off-take risks

The Company relies on having available markets for its products, including rCB, which is primarily targeted for use by the asphalt industry and TDFO, which is sold to the asphalt industry as burner fuel to heat the material in the manufacturing process, neither of which have a guaranteed market at this stage. The Company manages this risk by producing market-leading products from its unique tyre re-purposing processes and seeking to diversify its customer base as well as looking at other industries for potential off-take channels.

Directors' Report (continued)

Recruitment and retention of employees

The Company relies on the competency of its team to operate the plant effectively and support business administration. The Company reviews its employee value proposition to attract and retain skilled employees and foster diversity and inclusion.

Intellectual Property Risk

Appropriate IP registrations and legal restraints are in place to protect the Company's intellectual property, minimising the risk of infringement of intellectual property rights.

Directors

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

Name	Position	Change in status
Michael Barry	Non-Executive Chairman	
Lindsay Barber	Non-Executive Director	
Teresa Dyson	Non-Executive Director	Appointed 15 February 2023
Leeanne Bond	Non-Executive Director	Appointed 15 February 2023
Brad Mytton	Non-Executive Director	Resigned 24 August 2022
Brian Mumme	Non-Executive Director	Resigned 15 February 2023
Michael Barrett	Non-Executive Director	Resigned 15 February 2023

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

Information on Directors

Michael Barry – Non-Executive Chairman
B Bus (Mngt), MBA

Mr. Barry's executive career included 10 years in senior executive roles at Boral Limited, including Regional General Manager for the Western Australian and South Australian Construction Materials operations. Most recently Mr Barry was CEO of MSF Sugar Limited for 13 years up until 2020.

During the last three years, Mr Barry has been Chairman of Terragen Holdings Limited (ASX:TGH) (June 2023-present)

Lindsay Barber – Non-Executive Director

Mr Barber is the COO and was an Executive Director of the Johns Lyng Group and brings a wealth of experience to Entyr's Board from a long career in construction and project management. Mr Barber is a degree qualified Civil Engineer and Oxford University alumnus of the Said Business School. He has over 30 years of experience in the construction industry with Groups such as Jennings Industries and John Holland and, for the last 17 years, led the day-to-day operations, strategic planning, and growth initiatives of the Johns Lyng Group.

During the last three years, Mr Barber has been a director of Johns Lyng Group Limited (July 2017 – March 2023).

Teresa Dyson – Non-Executive Director (appointed 15 February 2023)
BA, LLB (Hons), MTax, MAppFin, FAICD
Ms Dyson is an experienced company director whose career has spanned both the public and private sectors. Ms Dyson is an admitted lawyer and has previously been a partner at a global law firm and professional services firm. Throughout her career as a business executive, Ms Dyson has delivered strategy across the financial services industry, transport, energy, and resources sectors, as well as infrastructure projects. Ms Dyson has a strong background in ESG governance.

During the last three years, Ms Dyson has been a director of Seven West Media Limited (November 2017 – present), Genex Power Ltd (May 2018 – present) and Shine Justice Limited (February 2020 – present).

Leeanne Bond – Non-Executive Director (appointed 15 February 2023)
BE (Chem) MBA HonFIEAust EngExec FAICD FTSE CEW
Ms Bond is a respected Engineering Executive, Independent Non-Executive Company Director, and Board Chair. Her 30+ year career spans a range of industrial sectors including industrial facilities; infrastructure; water; energy; minerals; and postgraduate education. She brings relevant skills and experience to Entyr including business strategy; technology & innovation; engineering and design management; governance of major capital projects; operation of utilities and major infrastructure; risk management (including digital and cyber, workplace health and safety); and ESG and sustainability. She is focussed on decarbonisation, critical minerals, and circular economy.

During the last three years, Ms Bond has been a director of ASX listed Synertec Corporation Limited (ASX:SOP) (August 2017 – present).

Mr Brad Mytton – Non-executive Director (resigned 24 August 2023)
Mr Mytton is a Partner with Sydney-based Roc Partners, a specialist asset manager focussing on private equity investment in the Asia Pacific region, where he has been investing in private equity and renewable energy for over 13 years. Prior to joining Roc Partners, Mr Mytton was a part of the direct investment business within Macquarie's Fixed Income Currencies & Commodities Group, investing in private companies in the retail, energy and clean technology sectors. Mr Mytton has also worked with Macquarie Capital providing investment banking advisory services to clients in the energy sector. Mr Mytton holds an MBA from Oxford University, United Kingdom and a Bachelor of Commerce with Honours from the University of Canterbury, New Zealand.

Mr Mytton has not held directorship positions in other Australian listed companies in the past three-year period.

Mr Brian Mumme – Non-executive Director (resigned 15 February 2023)
Mr Mumme is a senior executive with over 30 years of national and international experience in commodities (oil, gas, agriculture), with a focus on marketing, trading, risk management and optimising supply chains. He has broad general management experience and has successfully guided teams and businesses through significant organisational change. Prior to his establishing his own consulting business, Mr Mumme was seconded from BP Australia into the role of President for the North West Shelf Gas Joint Venture for six years in a career of over 20 years with BP. Mr Mumme was also previously General Manager of the CBH Groups Marketing and Trading business –CBH Grain. Mr Mumme is a Graduate member of the Australian Institute of Company Directors.

Mr Mumme has not held directorship positions in other Australian listed companies in the past three-year period.

Directors' Report (continued)

Mr Michael Barrett – Non-executive Director (resigned 15 February 2023)
Mr Barrett is a Chartered Accountant with over 28 years of international experience in finance, strategy and corporate development, capital markets and risk management. Mr Barrett has extensive experience working in the energy and resources industry. From 2004 to 2015 he was based in the US as CFO of Rio Tinto's energy coal business and led its listing on the NYSE in 2009. More recently, he was National Lead Partner for Deloitte's Risk Advisory Energy and Resources practice, before establishing his own consulting business. He holds a Bachelor of Social Sciences with Joint Honours and is a Graduate member of the Australian Institute of Company Directors.

Mr Barrett is a non-executive director of Globe Metals & Mining Limited.

Company Secretary Information

Phillip MacLeod B. Bus, FGIA, MAICD
Mr MacLeod has more than 30 years of commercial experience and has held the position of company secretary with listed public companies since 1995. He has provided corporate, management and accounting advice to Australian and international public and private companies involved in the resource, technology, property, and healthcare industries.

Meetings of Directors

During the period, fourteen (14) meetings of Directors were held. Attendances were as follows:

Director	Board Meetings Number of meetings held while a director	 Number of meetings attended while a director
Michael Barry	14	14
Lindsay Barber	14	14
Teresa Dyson	7	7
Leeanne Bond	7	7
Brad Mytton	2	2
Brian Mumme	7	7
Michael Barrett	7	7

Note: The Board also performs the function of the Audit & Risk Committee, Nomination Committee and Remuneration Committee.

Directors' Interests

As at the date of this report, the number of shares and options held by the Directors were as follows:

Director	Shares	Options (Listed)	Options (Unlisted)
Michael Barry	13,137,268	735,300	4,000,000
Lindsay Barber	77,184,000	-	2,000,000
Teresa Dyson	3,320,450	1,397,067	2,000,000
Leeanne Bond	1,764,800	882,400	2,000,000
Total	**95,406,518**	**3,014,767**	**10,000,000**

Remuneration Report (Audited)

The Directors of Entyr present the Remuneration Report for Non-Executive Directors, Executives, and other Key Management Personnel, prepared in accordance with the Corporations Act 2001 and the Corporations Regulations 2001.

The Remuneration Report is set out under the following main headings:

A. Principles used to determine the nature and amount of remuneration
B. Details of remuneration
C. Service agreements
D. Share-based remuneration; and
E. Other information

Key management personnel covered in this report are set out below:

- ✓ Michael Barry – Non-Executive Chairman
- ✓ Lindsay Barber – Non-Executive Director
- ✓ Teresa Dyson – Non-Executive Director (appointed 15 February 2023)
- ✓ Leeanne Bond – Non-Executive Director (appointed 15 February 2023)
- ✓ Brad Mytton – Non-Executive Director (resigned 24 August 2022)
- ✓ Brian Mumme – Non-Executive Director (resigned 15 February 2023)
- ✓ Michael Barrett – Non-Executive Director (resigned 15 February 2023)
- ✓ David Wheeley – Chief Executive Officer
- ✓ Andrew Cook – Chief Financial Officer (departed 11 August 2023)
- ✓ Christy Hayes – Interim Chief Financial Officer (commenced 24 July 2023)

A. Principles used to determine the nature and amount of remuneration

The goals of the Company's remuneration policy are to:

- ✓ ensure that reward for performance is competitive and that employees are committed and motivated;
- ✓ align executive compensation with achievement of strategic objectives and the creation of value for shareholders; and
- ✓ comply with relevant legislation and general market remuneration practices.

The Company did not use remuneration consultants during the period.

Non-Executive Directors

Non-Executive Directors are entitled to receive a Base Fee benchmarked against a comparable pool of companies and reviewed on an annual basis. Remuneration is determined by the Board and takes into consideration the need to obtain suitably qualified independent Directors.

Remuneration of Non-Executive Directors is approved by the Board and set in aggregate with the maximum amount approved by the shareholders set at $250,000 (excluding share based payments).

Directors' Report (continued)

Executives

The Company's remuneration policy for its executives is to provide a fixed remuneration component, consisting of base salaries plus employer contributions to superannuation, and a performance-based component (short term, medium term, and long-term incentive plan). The Board believes that the company's remuneration policy is appropriate given the considerations cited and is appropriate in aligning executives' objectives with shareholders and business objectives.

There were no other key management personnel of the Group during the period.

B. Details of Remuneration

The following table shows details of the remuneration expenses recognised for the Group's Non-Executive Directors and Executives for the current and previous financial year measured in accordance with the requirements of the accounting standards.

2023	Short Term Employee Benefits (Cash Salary and Fees)	Post-Employment Benefits (Superannuation)	Termination Benefits	Annual Leave[1]	Long Service Leave[1]	Share Based Payments[3]	Total	Performance based % of remuneration
Non-Executive Directors:								
Michael Barry	109,089	11,455	-	-	-	20,800	141,344	0%
Lindsay Barber	16,707	1,754	-	-	-	16,194[2]	34,655	0%
Teresa Dyson*	18,796	1,974	-	-	-	16,194[2]	36,964	0%
Leeanne Bond*	18,796	1,974	-	-	-	16,194[2]	36,964	0%
Brad Mytton+	-	-	-	-	-	-	-	0%
Brian Mumme+	30,938	-	-	-	-	-	30,938	0%
Michael Barrett+	31,558	-	-	-	-	-	31,558	0%
Executives:								
David Wheeley	398,646	27,006	-	18,149	7,852	94,205	545,858	0%
Andrew Cook	190,908	20,045	-	9,558	3,763	-	224,274	0%
Christy Hayes^	-	-	-	-	-	-	-	0%
Total	**815,438**	**64,208**	**-**	**27,707**	**11,615**	**163,587**	**1,082,555**	**0%**

+ Resigned during the year

* Appointed during the year

^Appointed after the year end

[1] Movement in leave provision during the year

[2] Options approved for issue during the year

[3] Share based payment expense recognised during the year

No performance bonuses were paid during the year.

2022	Short Term Employee Benefits (Cash Salary and Fees)	Post-Employment Benefits (Superannuation)	Termination Benefits	Annual Leave[1]	Long Service Leave[1]	Share Based Payment[3]	Total	Performance based % of remuneration
Non-Executive Directors:								
Michael Barry*	93,146	9,315	-	-	-	3,894	106,355	0%
Brian Mumme	45,000	-	-	-	-	-	45,000	0%
Michael Barrett	45,000	-	-	-	-	15,241[2]	60,241	0%
Brad Mytton	-	-	-	-	-	-	-	0%
Lindsay Barber*	-	-	-	-	-	-	-	0%
Executives:								
Gary Foster+	72,761	7,271	-	3,331	592	-	83,955	0%
Andrew Drennan+	61,947	6,131	-	3,929	2,004	-	74,011	0%
David Wheeley*	165,408	1,933	-	14,272	3,208	16,030	200,851	0%
Andrew Cook*	33,041	3,304	-	3,322	718	-	40,385	0%
Alex Mitchell+	190,192	19,496	-	6,707	1,231	17,563	235,189	0%
	706,495	**47,450**	**-**	**31,561**	**7,753**	**52,728**	**845,987**	**0%**

+ Resigned during the year
* Appointed during the year
^Appointed after the year end

[1] Movement in leave provision during the year
[2] Options approved for issue during the year
[3] Share based payment expense recognised during the year

No performance bonuses were paid during the year.

C. Service Agreements

Remuneration and other terms of employment for the Executives are formalised in service agreements. The major provisions of the agreements relating to remuneration are specified below.

Name	Total fixed remuneration (REM)	STI*	LTI*	Term of agreement	Notice period
David Wheeley	$425,000	Max 25% fixed REM	Note 1	Not specified	Three months
Andrew Cook	$210,000	Max 20% fixed REM	Note 2	Not specified	Three months

*The awarding of STI and LTI is at the absolute discretion of the Board

Note 1: Upon approval by the Board, a total of 20 million options vesting in tranches of 4 million at the 12, 24, 36, 48 and 60 month anniversary with the exercise price to be 12 months after the vesting date.

Note 2: Upon approval by the Board, a total of 7.5 million options vesting in tranches of 1.5 million at the 12, 24, 36, 48 and 60 month anniversary with the exercise price to be 12 months after the vesting date.

Apart from the mutual notice period specified above and statutory obligations, there are no other termination benefits payable in relation to the above service agreements.

On 24th July 2023 Christy Hayes commenced with the Company as Interim Chief Financial Officer engaged on a 6-month contract through Robert Half Talent Solutions. The contract terms are for $1,575+GST/day or $204,750 for the 6-month period. The contract includes a mutual termination clause with 1 month's notice.

D. Share-based remuneration

On 23 June 2023, shareholders of the Company approved the grant of 6,000,000 unlisted options over ordinary shares in the Company to Non-Executive Directors. While the grant date is deemed 23 June 2023, the issue date of these unlisted options was 21 July 2023.

The incentive options were issued as part of the directors' remuneration, no performance conditions exist in relation to the options issued and as such the options vested immediately.

Name	Options granted	Vesting	Expiry date	Exercise price	Fair value at 30/6/23
Lindsay Barber	2,000,000	Vested	20 July 2026	$0.0195	$16,194
Teresa Dyson	2,000,000	Vested	20 July 2026	$0.0195	$16,194
Leeanne Bond	2,000,000	Vested	20 July 2026	$0.0195	$16,194
Total	**6,000,000**				**$48,582**

E. Other information

(a) Equity Instrument Disclosures Relating to Key Management Personnel

Aggregate numbers of ordinary shares of the Company held directly, indirectly, or beneficially by Key Management Personnel of the Company during the financial year are set out below:

Name	Held at 1 July 2022	Issued/ Purchased	Granted as remuneration	Sold	Balance at appointment/ (resignation)	Held at 30 June 2023
Non-Executive Directors:						
Michael Barry	5,000,000	6,666,668	-	-	-	11,666,668
Lindsay Barber*	10,184,000	67,000,000	-	-	-	77,184,000
Teresa Dyson*	-	526,315	-	-	-	526,315
Leeanne Bond*	-	-	-	-	-	-
Brad Mytton+	-	-	-	-	-	-
Brian Mumme+	415,385	-	-	-	(415,385)	-
Michael Barrett+	492,858	507,142	-	(200,000)	(800,000)	-
Executives:						
David Wheeley	1,000,000	1,333,334	-	-	-	2,333,334
Andrew Cook	-	-	-	-	-	-
Total	**17,092,243**	**76,033,459**	**-**	**(200,000)**	**1,215,385**	**91,710,317**

+ Resigned during the year

* Appointed during the year

^Appointed after the year end

(b) Listed Options

There were no listed options issued during the year.

(c) Unlisted Options

Name	Held at 1 July 2022	Issued	Granted as remuneration*	Expired	Sold	Held at 30 June 2023
Non-Executive Directors:						
Michael Barry[1]	4,000,000	-	-	-	-	4,000,000
Lindsay Barber[2]	-	-	2,000,000	-	-	2,000,000
Teresa Dyson[2]	-	-	2,000,000	-	-	2,000,000
Leeanne Bond[2]	-	-	2,000,000	-	-	2,000,000
Brad Mytton	-	-	-	-	-	-
Brian Mumme	-	-	-	-	-	-
Michael Barrett	-	-	-	-	-	-
Executives:						
David Wheeley[3]	20,000,000	-	-	-	-	20,000,000
Andrew Cook	-	-	-	-	-	-
Total	**24,000,000**	**-**	**6,000,000**	**-**	**-**	**30,000,000**

[1] Exercise price of $0.053, expire 6 December 2024. Vested on issue.

[2] Exercise price of $0.0195, expire 20 July 2026. Vested on issue.

[3] 4,000,000 with exercise price of $0.023, expire 3 March 2024. Vested 3 March 2023.
4,000,000 with exercise price of $0.0345, expire 3 March 2025. Vest 3 March 2024.
4,000,000 with exercise price of $0.046, expire 3 March 2026. Vest 3 March 2025.
4,000,000 with exercise price of $0.0575, expire 3 March 2027. Vest 3 March 2026.
4,000,000 with exercise price of $0.069, expire 3 March 2028. Vest 3 March 2027

* Approved/granted 23 June 2023, issued 21 July 2023

(d) Consequences of performance on shareholder wealth

In considering the Company’s performance and benefits for shareholder wealth, the Board have regard to the following indices in respect of the current financial year and the previous four (4) financial years:

Item	2023	2022	2021	2020	2019
EPS (cents)	(0.78)	(1.26)	(2.31)	(4.44)	(3.11)
Dividends (cents)	-	-	-	-	-
Net loss ($’000)	$10,176	$8,487	$7,745	$9,285	$4,710
Share price (as at 30 June)	$0.012	$0.01	$0.05	$0.08	$0.135

(e) Transactions with other Related Parties

During the financial year there were no transactions with other related parties.

(f) Voting and comments made at the Company’s last Annual General Meeting

All resolutions were passed by a poll by the required majority. The Company received 98.4% of votes cast as ‘yes’ votes on its Remuneration Report for the financial year ending 30 June 2022. The Company received no specific feedback on its Remuneration Report at the Annual General Meeting.

This is the end of the Audited Remuneration Report

Directors' Report (continued)

Shares Under Option

(a) Unissued ordinary shares

Unissued ordinary shares of Entyr Limited under option at the date of this report are as follows:

Date options granted	Listed/ Unlisted	Expiry date	Exercise price	Number under option
11/10/2021	Unlisted	10/10/2023	$0.120	750,000
07/12/2021	Unlisted	06/12/2024	$0.053	4,000,000
09/05/2022	Unlisted	03/03/2024	$0.023	4,000,000
09/05/2022	Unlisted	03/03/2025	$0.035	4,000,000
09/05/2022	Unlisted	03/03/2026	$0.046	4,000,000
09/05/2022	Unlisted	03/03/2027	$0.058	4,000,000
09/05/2022	Unlisted	03/03/2028	$0.069	4,000,000
23/06/2023	Unlisted	20/07/2026	$0.0195	6,000,000*
12/07/2023	Listed	31/12/2024	$0.040	234,576,364+
Total				**265,326,364**

*Issued to Key Management Personnel (refer to remuneration report E (c))

+ Number issued to Key Management Personnel was 3,014,767

No option holder has any right under the options to participate in any other share issue of the Company or any other entity. Included in these options were options granted as remuneration to the Non-Executive Directors and Executives which are disclosed previously in this report.

(b) Shares Issued on the Exercise of Options

There were no shares of Entyr Limited issued during the year and up to the date of this report on the exercise of options granted.

Events after the Reporting Period

On 23 June 2023 shareholders approved Tranche 2 of the placement announced in May 2023 for the issue of 219,968,419 ordinary fully paid shares at a price of 1.7 cents each to raise $3.74 million before issue costs. Directors Mr Michael Barry, Ms Teresa Dyson and Ms Leeanne Bond participated in Tranche 2 of the placement with shareholder approval.

The Company offered eligible shareholders the opportunity to participate in a share purchase plan (SPP) on the same terms as the May 2023 placement. The SPP was completed on 7 July 2023 raising $391,500 before issue costs (23,029,035 shares).

At the 23 June meeting, shareholders also approved the issue of attaching options to the shares issued in Tranche 1 and 2 of the May 2023 placement and the SPP based on one attaching option for every two new shares issued. A total of 234,576,364 attaching options exercisable at 4 cents each with an expiry date of 31 December 2024 were issued.
All shares and listed options above were issued on 12 July 2023.

On 23 June 2023, shareholders of the Company approved the grant of 6,000,000 unlisted options over ordinary shares in the Company to Non-Executive Directors. While the grant date is deemed 23 June 2023, the issue date of these unlisted options was 21 July 2023.

The incentive options were issued as part of the directors' remuneration, no performance conditions exist in relation to the options issued and as such the options vested immediately.

Directors' Report (continued)

Corporate Governance Statement
In recognising the need for the highest standards of corporate behaviour and accountability, the Board supports and adheres to the principals of corporate governance and has adopted a set of policies for managing this governance. The Company's Corporate Governance policies are available on the Company's website www.entyr.com.au.

Indemnity given to, and insurance premiums paid of Directors and Officers
The Company has indemnified the directors and officers of the Company for costs incurred, in their capacity as director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial period, the Company paid a premium in respect of a contract to insure the directors and officers of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the premium.

Indemnity and insurance of auditor
The Company has not, during or since the end of the financial period, indemnified or agreed to indemnify the auditor of the Company or any related entity against a liability incurred by the auditor.

During the financial period, the Company has not paid a premium in respect of a contract to insure the auditor of the Company or any related entity.

Proceedings on behalf of the company
No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Non-audit services
During the year, Pitcher Partners the Group's auditor, did not provided any services in addition to the audit and review of the financial statements.

Details of the amounts paid to the auditor of the Group, for audit and non-audit services provided during the year are set out at note 26.

Auditor's Independence Declaration
A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001, for the financial year ended 30 June 2023 has been received and be found on page 17.

Rounding of amounts
The company 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 dollar.
This report is signed in accordance with a resolution of the Directors.

Michael Barry
Chairman
31 August 2023, at Ormeau, Queensland

Level 38, 345 Queen Street
Brisbane, QLD 4000

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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 audit for the year ended 30 June 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 year.

PITCHER PARTNERS

DANIEL COLWELL
Partner

Brisbane, Queensland
31 August 2023

Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2023

	Note	2023 $'000 AUD	2022 $'000 AUD
Revenue	3	5,380	2,865
Other income	3	8,186	8,800
Operating expenses	4	(14,633)	(10,305)
Employee benefit expenses		(2,895)	(2,609)
Other expenses	4	(3,835)	(3,453)
Depreciation	5	(2,963)	(2,191)
Amortisation of intangibles	5	(226)	(111)
Impairment expense	5	(300)	(319)
Finance costs	5	(448)	(277)
Loss before income tax		**(11,734)**	**(7,600)**
Income tax benefit / (expense)	6	1,558	(887)
Loss for the year attributable to ordinary shareholders		**(10,176)**	**(8,487)**
Other comprehensive income		-	-
Total comprehensive loss for year attributable to ordinary shareholders		**(10,176)**	**(8,487)**
Earnings per share			
Basic & diluted loss per share (cents per share)	22	(0.78)	(1.26)

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

Consolidated Statement of Financial Position

As at 30 June 2023

	Note	2023 $'000 AUD	2022 $'000 AUD
ASSETS			
Current Assets			
Cash and cash equivalents	7	1,344	1,620
Other financial assets	7	92	98
Trade and other receivables	8	10,038	9,659
Inventory	9	14	40
Other current assets	10	121	151
		11,609	11,568
Non-current assets classified as held for sale	11	-	700
Total current assets		11,609	12,268
Non-Current Assets			
Other financial assets	7	199	219
Other non-current assets	10	61	99
Property, plant & equipment	12	8,112	6,038
Intangible assets	13	3,028	3,254
Right-of-use assets	14	6,248	2,035
Total non-current assets		17,648	11,645
Total assets		**29,257**	**23,913**
LIABILITIES			
Current Liabilities			
Trade and other payables	15	2,910	3,162
Other current liabilities	16	269	-
Provisions	17	629	1,017
Financial liabilities	18	2,674	1,060
Lease liabilities	19	601	1,066
Total current liabilities		7,083	6,305
Non-Current Liabilities			
Other non-current liabilities	16	1,274	-
Provisions	17	237	72
Financial liabilities	18	333	365
Lease liabilities	19	5,918	1,195
Deferred tax	20	-	1,558
Total non-current liabilities		7,762	3,190
Total liabilities		**14,845**	**9,495**
Net assets		**14,412**	**14,418**
EQUITY			
Equity attributable to the holders of the parent			
Issued capital	21	59,501	49,495
Options reserve		184	20
Accumulated losses		(45,273)	(35,097)
Total equity		**14,412**	**14,418**

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

Consolidated Statement of Changes in Equity

For the year ended 30 June 2023

Consolidated Equity 30 June 2023	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 year		-	-	(10,176)	(10,176)
Total comprehensive loss for the year		**-**	**-**	**(10,176)**	**(10,176)**
Transactions with owners in their capacity as owners:					
Shares issued during the period	21	10,665	-	-	10,665
Share issue costs	21	(659)	-	-	(659)
Share based payment expenses	21	-	164	-	164
Expiry of options	21	-	-	-	-
Balance as at 30 June 2023		**59,501**	**184**	**(45,273)**	**14,412**

Consolidated Equity 30 June 2022	Note	Issued capital	Option reserve	Accumulated losses	Total equity
				$000 AUD	
Balance as at 1 July 2021		**32,813**	**235**	**(26,880)**	**6,168**
Loss for the year		-	-	(8,487)	(8,487)
Total comprehensive loss for the year		**-**	**-**	**(8,487)**	**(8,487)**
Transactions with owners in their capacity as owners:					
Shares issued during the period	21	13,886	-	-	13,886
Share issue costs	21	(579)	-	-	(579)
Share based payment expenses	21	3,375	55	-	3,430
Expiry of options	21	-	(270)	270	-
Balance as at 30 June 2022		**49,495**	**20**	**(35,097)**	**14,418**

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

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2023

	Note	2023 $'000 AUD	2022 $'000 AUD
Cash flows from operating activities			
Receipts from customers		6,202	3,338
Payments to suppliers and employees		(22,561)	(13,930)
Receipt of government R&D grant		8,943	-
Receipt of other government grants and subsidies		139	106
Interest received		20	-
Interest paid		(356)	(277)
Net cash outflow used in operating activities	24	(7,613)	(10,763)
Cash flows from investing activities			
Purchase of property, plant & equipment		(3,643)	(2,867)
Proceeds from disposal of property, plant & equipment		-	11
Proceeds from disposal of asset held for sale	11	400	-
Payments for deposits and bonds		(49)	-
Proceeds from deposits and bonds		52	80
Cash obtained through acquisitions	25	-	61
Net cash outflow used in investing activities		(3,240)	(2,715)
Cash flows from financing activities			
Proceeds from issue of shares		10,732	13,886
Share / options issue costs	21	(659)	(579)
Repayment of lease liabilities		(1,078)	(1,057)
Proceeds from borrowings		7,400	1,435
Repayment of borrowings		(5,818)	(1,542)
Net cash inflows from financing activities		10,577	12,143
Net (decrease)/increase in cash and cash equivalents		(276)	(1,335)
Cash and cash equivalents at the beginning of the financial year		1,620	2,955
Cash and cash equivalents at the end of the financial year	7	**1,344**	**1,620**

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

Notes to the Financial Statements

1. General Information

The financial statements cover Entyr Limited as a Group consisting of Entyr Limited and the entities it controlled at the end of or during the year. 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 31 August 2023. The directors have the power to amend and reissue the financial statements.

2. Significant 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 for the annual reporting period ended 30 June 2023. The Group has not yet assessed the impact of these new or amended Accounting Standards and Interpretations.

(c) Basis of Preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001, as appropriate for for-profit orientated entities. These financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity or areas where assumptions and estimates are significant to the financial statement are disclosed in note 2 (dd).

(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 Report have been rounded to the nearest dollar.

(e) Principles of Consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Entyr Limited ('Company' or 'Parent entity') as at 30 June 2023 and the results of all subsidiaries for the year then ended. Entyr Limited and its subsidiaries together are referred to in these financial statements as the 'Group'.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances, and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of the subsidiaries have been changed were necessary to ensure consistency with the policies adopted by the Group.

The acquisition of common control subsidiaries is accounted for at book value. The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Then the Group losses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

(f) Foreign Currency Translation

The financial statements are presented in Australian Dollars, which is the functional and presentation currency of the Group.

Foreign currency transactions are translated into the Group's functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

(g) Business Combinations

Business combinations occur where an acquirer obtains control over one or more businesses.

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control. The business combination will be accounted for from the date that control is obtained, whereby the fair value of the identifiable assets acquired, and liabilities (including contingent liabilities) assumed is recognised (subject to certain limited exemptions).

When measuring the consideration transferred in the business combination, any asset or liability resulting from a contingent consideration arrangement is also included. Subsequent to initial recognition, contingent consideration classified as equity is not remeasured and its subsequent settlement is accounted for within equity. Contingent consideration classified as an asset or liability is remeasured each reporting period to fair value, recognising any change to fair value in profit or loss, unless the change in value can be identified as existing at acquisition date.

All transaction costs incurred in relation to business combinations, other than those associated with the issue of a financial instrument, are recognised as expenses in profit or loss when incurred.

The acquisition of a business may result in the recognition of goodwill or a gain from a bargain purchase.

(h) Operating Segments

During financial year 2023, the Group aggregated the operating segments determined as at 30 June 2022 being "tyre processing", "tyre manufacturing" and "other (unallocated)" and have determined there is only one operating segment 'tyre processing'.

This one operating segment is based on internal reports that are reviewed and used by the Chief Executive Officer (who has been identified as the Chief Operating Decision Maker (CODM) in assessing performance and in determining the allocation of resources.

While the Group earns revenue from tyre collections, this is considered feed stock for 'tyre processing' and reporting and performance is not monitored by the CODM at this level.

The CODM reviews adjusted EBITDA (earnings before interest, tax, depreciation, and amortisation, adjusted for non-cash and significant items) at the aggregated 'tyre processing' segment level.

(i) Revenue Recognition

The Group earns revenue for the collection of end-of-life waste tyres as well as from the sale of valuable raw materials including recovered oil, carbon, and steel ('tyre-derived products').

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Revenue from the collection of end-of-life tyres is recognised when tyres are weighed at the Group's collection facility.

Revenue from the sale of tyre-derived products is recognised when the Group has transferred control to the buyer and the amounts can be measured reliably. This usually occurs at the time of loading the products on board transport to the final destination. Consideration is not received in advance of the Group's performance obligations being satisfied, as such there are no clear contract liabilities. If a performance obligation is satisfied before consideration is received, the Group recognises a receivable or contract asset in its statement of financial position.

(j) Government Grants

Government grants (including R&D) are recognised at their fair value when there is reasonable assurance that the grant will be received and that the Group will comply with all attached conditions. Government grants related to costs are deferred and recognised in profit or loss as other income over the periods necessary to match them with the costs that they are intended to compensate. Government grants received which do not relate to any specific costs are recognised as income received in the period in which they are received.

(k) Income Tax

The income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate adjusted by the changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered, or liabilities are settled based on those tax rates that are enacted. Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable profits will be available to utilise those temporary differences and losses.

The carrying amount of recognised and unrecognised deferred tax assets are reviewed at each reporting date. Deferred tax assets recognised are reduced to the extent that it is no longer probable that future taxable profits will be available for the carrying amount to be recovered. Previously unrecognised deferred tax assets are recognised to the extent that it is probable that there are future taxable profits available to recover the asset.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current tax liabilities and deferred tax assets against deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Entyr Limited (the 'head entity') and its wholly owned subsidiaries have formed an income tax consolidated Group.

(l) Current and Non-Current Classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An **asset** is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Group's normal operation cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A **liability** is classified as current when: it is either expected to be settled in the Group's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

(m) Cash and Cash Equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

(n) Trade and Other Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowances for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Group has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been Grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

(o) Inventory

Inventory is brought to account at the lower of cost or net realisable value. Cost includes the cost of conversion of raw materials (for which the Group receives revenue and does not incur a net cost) and the cost of production including an apportionment of overheads and administrative costs. Net realisable value is the selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

When brought to account at net realisable value, inventory is first measured at cost and then a provision for diminution in value is recorded to reduce the measured amount to net realisable value.

When inventory is sold it is expensed in the profit and loss account.

(p) Non-Current Assets or Disposal Groups Classified as Held for Sale

Non-current assets and assets of disposal Groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continued use. They are measured at the lower of their carrying amount and fair value less costs of disposal. For non-current assets or assets of disposal Groups to be classified as held for sale, they must be available for immediate sale in their present condition and their sale must be highly probable.

An impairment loss is recognised for any initial or subsequent write down of the non-current assets and assets of disposal Groups to fair value less costs of disposal. A gain is recognised for any subsequent increases in fair value less costs of disposal of a non-current assets and assets of disposal Groups, but not in excess of any cumulative impairment loss previously recognised.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of assets held for sale continue to be recognised.

(q) Property, Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items or in the case of assets constructed includes the cost of materials, direct labour, borrowing costs and an appropriate proportion of fixed and variable overheads.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised as expenses in profit or loss during the financial period in which they are incurred.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from these assets. The recoverable amount is assessed based on the expected net cash flows that will be received from the asset's employment and subsequent disposal and discounted to their present values.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the estimated recoverable amount and impairment losses are recognised in profit or loss. A formal assessment of recoverable amount is made when impairment indicators are present (refer to Note 2 (t) for details of impairment).

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight-line basis over the asset's useful life commencing from the time the asset is held ready for use.

Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of depreciable assets are:

Class of Fixed Asset	Depreciation Rate
Plant and equipment	2-20 years
Other Equipment	2.5-15 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are recognised in profit or loss in the period in which they arise. Gains shall not be classified as revenue. When revalued assets are sold, amounts included in the revaluation surplus relating to that asset are transferred to retained earnings.

(r) Intangible Assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets purchased separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Purchased and finite life intangible assets are subsequently measured at cost less accumulated amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period (refer to Note 2 (t) for details of impairment).

Development assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred. A self-generated intangible asset arising from development or from the development phase of an internal project is recognised if all of the following have been demonstrated:

- ✓ The technical feasibility of completing the intangible asset so that it will be available for use or sale,
- ✓ The intention to complete the intangible asset and use or sell it,
- ✓ The ability to use or sell the intangible asset,
- ✓ How the intangible asset will generate probable future economic benefits,
- ✓ The availability of adequate technical, financial, and other resources to complete the development and to use or sell the intangible asset,
- ✓ The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for self-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised or no intangible asset exists, development expenditure is recognised in profit or loss in the period in which it is incurred.

Intellectual property

Acquired intellectual property is amortised on a straight-line basis over the period of their expected benefit, being their finite life of 15 years.

(s) Right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is shorter. Where the Group expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Group has elected to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed as incurred.

(t) Impairment of Non-Financial Assets

Intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

(u) Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of the financial year and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

(v) Financial Liabilities

Financial liabilities are initially measured at the fair value of the consideration received, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method.

All interest-related charges and, if applicable, changes in fair value that are reported in profit or loss are included within finance costs or finance income.

(w) Lease Liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties.

The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest rate method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index, or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying value of the right-of-use asset is fully written down.

(x) Provisions

Provisions are recognised when the Group has a legal or constructive obligation, as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the amount required to settle the obligation at the end of the reporting date, taking into account risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using the current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

(y) Employee Benefits

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for employee benefits not expected to be settled wholly within 12 months of the reporting date are measured as the present value of the expected future payments to be made to employees up to the reporting date consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on high quality corporate bonds with terms matching maturity and currency that match, as closely as possible, the estimated future cash outflows.

Share-based payments

Equity-settled share-based compensation benefits are awards of shares, or options over shares, that are provided in exchange for the rendering of services. The fair value of options granted is recognised as an expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the options granted, which includes any market performance conditions and the impact of any non-vesting conditions but excludes the impact of any service and non-market performance vesting conditions.

(z) Fair Value Measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumed that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that the market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use.

For recurring and non-recurring fair value measurements, external valuers may be used when the internal expertise is either not available or when the valuation is deemed to be significant.

(aa) Issued capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(bb) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the ATO are presented as operating cash flows.

(cc) Comparative Figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

(dd) Significant accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimate in relation to assets, liabilities, revenue, and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results.

The judgements, estimates and assumptions that have the most significant risk of causing a material adjustment to the carrying amounts of assets and liabilities withing the next financial year are discussed below.

Government R&D grant

The Group records government R&D grants relating to the reporting period in other income as management determines there is reasonable assurance that the grant will be received. Calculation of the grant requires a degree of judgement, estimate and assumptions. The Group engages third party experts to assist with the R&D program and calculations. The actual government R&D grant may be higher or lower and the change in accounting estimate is booked in the year determined.

Share-based payment transactions

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. The fair value is determined by using either the Binomial or Black-Scholes model taking into account the terms and conditions upon which the instruments were granted. The accounting estimates and assumptions relating to the equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Allowance for expected credit losses

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss and grouped based on days overdue. These assumptions include recent sales experience, historical collection rates and forward-looking information that is available. The allowance for expected credit losses, as disclosed in note 8, is calculated based on the information available at the time of preparation. The actual credit losses in future years may be higher or lower.

Notes to the Financial Statements (continued)

Estimation of useful lives of assets

The Group determines the estimated useful lives and related depreciation and amortisation charges for its property, plant and equipment and finite life intangible assets. The useful lives could change significantly as a result of technological innovations or some other event. The depreciation and amortisation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Impairment of non-financial assets other than indefinite life intangible assets

The Group assesses impairment of non-financial assets other than indefinite life intangible assets at each reporting date by evaluating conditions specific to the Group and to the particular asset that may lead to impairment. If an impairment trigger exists, the recoverable amount of the asset is determined.

Net realisable value of inventory and assets held for sale

Management uses market available prices to value its recovered carbon and tyre derived fuel inventories on hand and assets held for sale.

Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the Group estimates, it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security, and economic environment.

(ee) 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 net loss after tax for the year ended 30 June 2023 of $10.176 million (2022: $8.487 million) and reported operating cash outflows of $7.613 million (2022: $10.763 million). At 30 June 2023 the Group held cash and cash equivalents of $1.344 million (2022: $1.619 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.

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. The cash flows include the net funds from the Tranche 2 placement and SPP which completed in July 2023 as well as assumptions for receipt of the Government R&D grant recorded in the reporting period and commencement of commercial volume processing in the first part of calendar year 2024.

While the infrastructure upgrade is still underway, the Group has continued to grow tyre feedstock customers and has had increasing interest and demand in its tyre derived products in anticipation of re commencing tyre processing. 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.

Notes to the Financial Statements (continued)

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.

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.

3. Revenue and other income

During the financial years ended 30 June 2023 and 30 June 2022, operating revenue from the collection of tyres and the sale of tyre-derived products and other income, including government grants, subsidies and tax credits, were recognised at a point in time.

Revenue earnt at a point in time.	**2023** $'000 AUD	**2022** $'000 AUD
Revenues from collection of end-of-life tyres	4,591	2,082
Sales from tyre-derived products	725	603
Other operating revenue	64	180
Total operating revenue	**5,380**	**2,865**

Other income	**2023** $'000 AUD	**2022** $'000 AUD
Government R&D grant	7,853	5,798
Government R&D grant – change in estimate	-	2,492
Other grants and subsidies	139	105
Interest income	20	-
Gain on disposal of non-current asset	-	11
Fuel tax credits	149	394
Other	25	-
Total other income	**8,186**	**8,800**

4. Expenses

	2023 $'000 AUD	2022 $'000 AUD
Operating expenses:		
Wages	4,063	2,523
Superannuation	336	203
Engineering services	611	-
Hire of plant & equipment	2,631	1,620
Repairs & maintenance	2,169	1,816
Fuel & power	1,037	1,016
Site preparation and waste removal costs	2,783	2,242
Closing inventory adjustment	15	315
Other operating expenses	988	570
Total operating expenses	**14,633**	**10,305**
Other expenses:		
Occupancy costs	208	245
Insurance costs	529	260
Accounting and audit fees	148	137
Regulatory expenses	80	235
R&D consultancy fees	930	963
Professional and consultancy fees	862	784
Other expenses	1,078	829
Total other expenses	**3,835**	**3,453**

5. Loss for the year

The loss before income tax for the year includes the following specific expenses:

	2023 $'000 AUD	2022 $'000 AUD
Finance costs:		
Interest expense - borrowings	250	139
Interest expense – lease liabilities	198	138
Total finance costs	**448**	**277**
Depreciation and amortisation:		
Depreciation – property, plant, and equipment (note 12)	1,870	1,097
Depreciation – right-of-use assets (note 14)	1,093	1,094
Total depreciation	**2,963**	**2,191**
Amortisation (note 13)	226	111
Total depreciation and amortisation	**3,189**	**2,302**
Other:		
Impairment loss on disposal of asset held for sale (note 11)	300	-
Impairment of other property, plant, and equipment (note 12)	-	319
Share-based payments expense (note 23)	164	55

6. Tax expense

	2023 $'000 AUD	2022 $'000 AUD
Loss before income tax	(11,734)	(7,600)
Prima-facie benefit on loss from continuing activities at 25% tax rate (2022: 25%)	**(2,934)**	**(1,900)**
Entertainment	-	4
Share-based payment	41	54
Capital raising costs	-	(50)
Tax effect on opening deferred taxes resulting from change in tax rate	-	(7)
Initial recognition of DTA to offset presenting DTL	(1,558)	-
Tax effect of CY tax/PY losses for which no deferred tax asset has been recognised	2,893	2,786
Total income tax (benefit)/expense	**(1,558)**	**887**

7. Cash, cash equivalents and other financial assets

	2023 $'000 AUD	2022 $'000 AUD
Cash at bank	1,344	1,620
Total cash and cash equivalents	**1,344**	**1,620**
Other financial assets:		
Current		
Term deposits	72	98
Bank guarantee	20	-
Balance at the end of the year	**92**	**98**
Non-Current		
Bank guarantee	199	219
Balance at the end of the year	**199**	**219**
Total	**291**	**317**

Cash at Bank

Amounts held in the Group's cheque and online savings accounts attract variable rates commensurate with a business cheque and online savings account.

Security Deposits

The Group holds security deposits for credit card facilities of $72,115, which are classified as Other Financial Assets.

Cash backed guarantee

The Group holds $198,672 in term deposit as a cashed-backed guarantee for the lease of its Stapylton site.

8. Trade and other receivables

	2023 $'000 AUD	2022 $'000 AUD
Trade receivables, gross (note 30)	623	543
Allowance for credit losses (note 30)	(22)	(29)
GST refundable	92	253
R&D tax benefit receivable	9,345	8,892
Balance at end of the year	**10,038**	**9,659**
Allowance for credit losses movement		
Balance at beginning of the year	(29)	(139)
Amounts used	-	-
Amounts (charged)/written back	7	110
Balance at the end of the year	**(22)**	**(29)**

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value. The Group's trade and other receivables have had expected credit losses calculated and an allowance for credit losses provided. An analysis of credit risk exposure and analysis relating to the allowances of expected credit losses is provided in note 30.

9. Inventory

	2023 $'000 AUD	2022 $'000 AUD
Inventory at net realisable value	14	40
Balance at end of the year	**14**	**40**

Inventory includes the Group's stocks of tyre-derived products. Inventory is recognised at net realisable value to reflect the pricing discount necessary to both establish new markets and gain entry into specific markets. No inventory write-down or reversal was recognised in 2023 (2022: $133,076).

10. Other current assets

	2023 $'000 AUD	2022 $'000 AUD
Current		
Prepayments	83	55
Rental bonds	38	96
Balance at the end of the year	**121**	**151**
Non-Current		
Rental bonds	61	99
Balance at the end of the year	**61**	**99**
Total	**182**	**250**

11. Non-current assets classified as held for sale

	2023 $'000 AUD	2022 $'000 AUD
Plant and equipment	-	700
Movements		
Balance at the beginning of the year	700	-
Transfer from PP&E	-	700
Impairment	(300)	-
Disposal	(400)	-
Carrying amount at end of the year	**-**	**700**

During the reporting period, an impairment loss of $300k was charged to the profit and loss to reduce the carrying amount of the asset held for sale to its fair value less costs to sell. The Group sold the non-current asset classified as held for sale during the year.

12. Property, plant, and equipment

2023	Plant & equipment $'000 AUD	Other equipment $'000 AUD	Total $'000 AUD
Gross carrying amount			
Balance at 1 July 2022	8,288	603	8,891
Additions	3,047	596	3,643
Disposals	-	-	-
Transfers	(430)	498	68
Makegood provision	-	233	233
Reinstatement	226	-	226
Balance at 30 June 2023	**11,131**	**1,930**	**13,061**
Depreciation and impairment			
Balance at 1 July 2022	(2,762)	(91)	(2,853)
Depreciation	(1,626)	(244)	(1,870)
Disposals	-	-	-
Transfers	-	-	-
Reinstatement	(226)	-	(226)
Balance at 30 June 2023	**(4,614)**	**(335)**	**(4,949)**
Carrying amount at end of the year	**6,517**	**1,595**	**8,112**

12. Property, plant, and equipment (continued)

2022	Plant & equipment $'000 AUD	Other equipment $'000 AUD	Total $'000 AUD
Gross carrying amount			
Balance at 1 July 2021	7,489	84	7,573
Additions	2,348	519	2,867
Disposals	(231)	-	(231)
Transfers	(1,318)	-	(1,318)
Balance at 30 June 2022	**8,288**	**603**	**8,891**
Depreciation and impairment			
Balance at 1 July 2021	(2,214)	(72)	(2,286)
Depreciation	(1,078)	(19)	(1,097)
Impairment	(319)	-	(319)
Disposals	231	-	231
Transfers	618	-	618
Balance at 30 June 2022	**(2,762)**	**(91)**	**(2,853)**
Carrying amount at end of the year	**5,526**	**512**	**6,038**

13. Intangible assets

2023	Intellectual Property $'000 AUD	Manufacturing rights $'000 AUD	Goodwill $'000 AUD	Development assets $'000 AUD	Total $'000 AUD
Gross carrying amount					
Balance at 1 July 2022	3,365	-	949	3,456	7,770
Derecognised	-	-	-	-	-
Acquired at cost	-	-	-	-	-
Balance at 30 June 2023	**3,365**	**-**	**949**	**3,456**	**7,770**
Amortisation and impairment					
Balance at 1 July 2022	(111)	-	(949)	(3,456)	(4,516)
Derecognised	-	-	-	-	-
Amortisation	(226)	-	-	-	(226)
Balance at 30 June 2023	**(337)**	**-**	**(949)**	**(3,456)**	**(4,742)**
Carrying amount at end of the year	**3,028**	**-**	**-**	**-**	**3,028**

13. Intangible assets (continued)

2022	Intellectual Property $'000 AUD	Manufacturing rights $'000 AUD	Goodwill $'000 AUD	Development assets $'000 AUD	Total $'000 AUD
Gross carrying amount					
Balance at 1 July 2021	-	1,650	949	3,456	6,055
Derecognised	-	(1,650)	-	-	(1,650)
Acquired at cost	3,365	-	-	-	3,365
Balance at 30 June 2022	**3,365**	**-**	**949**	**3,456**	**7,770**
Amortisation and impairment					
Balance at 1 July 2021	-	(1,650)	(949)	(3,456)	(6,055)
Derecognised	-	1,650	-	-	1,650
Amortisation	(111)	-	-	-	(111)
Balance at 30 June 2022	**(111)**	**-**	**(949)**	**(3,456)**	**(4,516)**
Carrying amount at end of the year	**3,254**	**-**	**-**	**-**	**3,254**

The manufacturing rights, which were fully impaired, comprised the right to manufacture TDUs using the intellectual property owned by Keshi Technologies Pty Ltd (Keshi). These have been derecognised on the acquisition of Keshi by Entyr Limited, and the related intellectual property was recorded as an acquisition at fair value (see note 25).

Management have confirmed that there is no evidence of obsolescence to the intellectual property and that it continues to be used in the investment in building out the capacity of the PP&E plant. There are no plans to discontinue the use of the intellectual property.

The goodwill and development assets were fully impaired at 30 June 2022 and remain fully impaired at 30 June 2023.

14. Right-of-use assets

	2023 $'000 AUD	2022 $'000 AUD
Cost	8,935	3,951
Accumulated depreciation	(2,687)	(1,916)
Carrying amount at end of the year	**6,248**	**2,035**
Movements		
Balance at the beginning of the year	2,035	2,032
Additions	5,500	1,198
Amortisation	(1,093)	(1,094)
Transfer to PP&E	(68)	-
Right-of-use assets derecognised during the period	(126)	(101)
Carrying amount at end of the year	**6,248**	**2,035**

Right-of-use of assets acquired under leasing arrangements consist of leases for the corporate office, production building and plant and equipment items. The right-of-use assets by class of assets are as follows:

14. Right-of-use assets (continued)

2023	Property $'000 AUD	Plant & Equipment $'000 AUD	Total $'000 AUD
Balance at 1 July 2022	1,828	207	2,035
Additions	5,271	229	5,500
Depreciation expense	(857)	(236)	(1,093)
Transfer to PP&E	-	(68)	(68)
Terminated	(93)	(33)	(126)
Carrying amount at end of the year	**6,149**	**99**	**6,248**

2022	Property $'000 AUD	Plant & Equipment $'000 AUD	Total $'000 AUD
Balance at 1 July 2021	2,032	-	2,032
Additions	683	515	1,198
Depreciation expense	(786)	(308)	(1,094)
Terminated	(101)	-	(101)
Carrying amount at end of the year	**1,828**	**207**	**2,035**

15. Trade and other payables

	2023 $'000 AUD	2022 $'000 AUD
Trade payables	1,354	1,940
PAYG payables	179	101
Other payables	1,377	1,121
Balance at the end of the year	**2,910**	**3,162**

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 financial year.

16. Other liabilities

	2023 $'000 AUD	2022 $'000 AUD
Current		
Unearned income	269	-
Balance at the end of the year	**269**	**-**
Non-Current		
Unearned income	1,274	-
Balance at the end of the year	**1,274**	**-**
Total	**1,543**	**-**

The Government R&D grant includes application of temporary full expensing rules for depreciating assets. Unearned income represents income that will be recognised in future periods on a systematic basis over periods in which the Group recognises depreciation expense for these assets.

17. Provisions

	2023 $'000 AUD	2022 $'000 AUD
Current		
Environmental provision	175	730
Employee entitlements	454	287
Balance at the end of the year	**629**	**1,017**
Non-Current		
Employee entitlements	4	72
Lease makegood provision	233	-
Balance at the end of the year	**237**	**72**
Total	**866**	**1,089**
Environmental provision movement		
Balance at start of the year	730	-
Amounts used	(669)	-
Amounts (charged)/written back	114	730
Balance at end of the year	**175**	**730**
Makegood provision movement		
Balance at start of the year	-	-
Amounts used	-	-
Amounts (charged)/written back	233	-
Balance at end of the year	**233**	**-**

The environmental provision relates to the removal of obsolete inventory held at a third-party site. The remaining provision at 30 June 2023 is expected to be utilised in the first half of FY24.

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

18. Financial liabilities

	2023 $'000 AUD	2022 $'000 AUD
Current		
Financial liabilities at amortised cost	2,674	1,060
Balance at the end of the year	**2,674**	**1,060**
Non-Current		
Financial liabilities at amortised cost	333	365
Balance at the end of the year	**333**	**365**
Total	**3,007**	**1,425**

The financial liability in 2022, which represented the amount owing to RH Capital Pty Ltd for an approved borrowing facility of $1m, was repaid in full during the 2023 financial year.

The Group entered into a new short-term funding agreement with RH Capital Pty Ltd in 2023 for an approved borrowing facility of $2.60m. Interest on the drawn-down amount is accrued at 15% per annum and will be settled automatically, along with any outstanding borrowing, upon receiving the FY23 R&D claim. The facility is secured through a general security deed over the assets of the Group.

Financial liabilities also include current and non-current liabilities associated with the hire purchase of plant and equipment (see note 30).

19. Lease liabilities

	2023 $'000 AUD	2022 $'000 AUD
Current		
Lease liabilities	601	1,066
Balance at the end of the year	**601**	**1,066**
Non-Current		
Lease liabilities	5,918	1,195
Balance at the end of the year	**5,918**	**1,195**
Total	**6,519**	**2,261**

The Group has leases for the corporate office, production building and some plant and equipment items. With the exception of short-term leases and leases of low-value underlying assets, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Group to sublet the asset to another party, the right-of-use asset can only be used by the Group. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to purchase the underlying asset outright at the end of the lease or extend the lease for a further term. The Group is prohibited from selling or pledging the underlying leased assets as security. For leases over office buildings and factory premises, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Group must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

19. Lease liabilities (continued)

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on the balance sheet:

Right-of-use asset at 30 June 2023	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. Of leases with extension options	No. Of leases with variable payments linked to an index	No. of leases with termination options
Property	3	4 to 115 months	54 months	2	2	-
Plant & equipment	5	4 to 12 months	9 months	-	-	-

Right-of-use asset at 30 June 2022	No. of right-of-use assets leased	Range of remaining term	Average remaining lease term	No. Of leases with extension options	No. Of leases with variable payments linked to an index	No. of leases with termination options
Property	5	6 to 31 months	16 months	3	2	-
Plant & equipment	7	7 to 60 months	16 months	-	-	-

The lease liabilities are secured by the related underlying assets. Future minimum lease payments at 30 June 2023 were as follows:

$'000 AUD	Within 1 year	1-5 years	After 5 years	Total
30 June 2023				
Lease payments	938	3,358	4,072	8,368
Finance charges	(311)	(1,066)	(472)	(1,849)
Net present values	**627**	**2,292**	**3,600**	**6,519**
30 June 2022				
Lease payments	1,151	1,245	-	2,396
Finance charges	(85)	(50)	-	(135)
Net present values	**1,066**	**1,195**	**-**	**2,261**

Lease payments not recognised as a liability

The Group has elected not to recognise a lease liability for short-term leases (leases with an expected term of 12 months or less) or leases of low value assets. Payments made under such leases are expensed on a straight-line basis. In addition, certain variable lease payments are not permitted to be recognised as lease liabilities and are expensed as incurred.

	2023 $'000 AUD	2022 $'000 AUD
Low value leases (Printer)	3	-
Balance at end of the year	**3**	**-**

Variable lease payments expensed on the basis that they are not recognised as a lease liability include rentals based on revenue from the use of the underlying asset and excess use charges on office equipment. Variable lease payments are expensed in the period they are incurred.

20. Deferred tax

Deferred tax comprises temporary differences and unused tax losses as follows:

	2023 $'000 AUD	2022 $'000 AUD
Temporary differences:		
Deferred tax assets:		
Lease liabilities (right-of-use assets)	1,630	560
Provisions	216	280
Other	284	45
Total deferred tax assets	**2,130**	**885**
Deferred tax liabilities:		
PPE and right-of-use assets	(3,489)	(1,711)
Intangible assets	(607)	(653)
Prepayments	(21)	(14)
Other	(4)	(65)
Total deferred tax liabilities	**(4,121)**	**(2,443)**
Net temporary differences	**(1,991)**	**(1,558)**
Carried forward revenue losses applied against net temporary differences	1,991	-
Balance at the end of the year	**-**	**(1,558)**

	2023 $'000 AUD	2022 $'000 AUD
Deferred tax assets not recognised		
Net DTL on temporary differences	(1,991)	-
Carry forward revenue losses	14,448	11,555
Carry forward capital losses	1,175	1,175
Net deferred tax assets not recognised	**13,632**	**12,730**

The above potential tax benefits have not been recognised in the statement of financial position. These benefits can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

21. 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 30 June 2023

Consolidated	2023 No. shares	2022 No. shares	2023 $'000	2022 $'000
Beginning of the financial year 1 July	1,053,026,429	371,999,198	49,495	32,813
Shares issued as consideration for acquisitions	-	112,500,000	-	3,375
Shares issued via private placement*	680,829,650	300,000,050	10,665	8,250
Shares issued via purchase plan	-	17,685,689	-	619
Shares issued via rights issue	-	250,841,492	-	5,017
Less: issue costs	-	-	(659)	(579)
End of financial year 30 June	**1,733,856,079**	**1,053,026,429**	**59,501**	**49,495**

*157,950,000 on 30/11/2022 with an issue price of 1.5 cents and gross value of $2,369k

296,724,650 on 17/01/2023 with an issue price of 1.5 cents and gross value of $4,451k

226,155,000 on 18/05/2023 with an issue price of 1.7 cents and gross value of $3,845k

Ordinary shares entitle the holder to participate in dividends and the proceeds attributable to shareholders should the Company be wound up in proportions that consider both the number of shares held and the extent to which those shares are paid up. On a show of hands, every member present at a meeting in person or by proxy is entitled to one vote, and upon a poll, each share is entitled to one vote.

Options Reserve as at 30 June 2023

Consolidated	2023 No. shares	2022 No. shares	2023 $'000	2022 $'000
Beginning of the financial year 1 July	27,724,000	4,974,000	20	235
Share options issued as remuneration*	6,000,000	24,000,000	164	54
Share options issued as consideration for services	-	750,000	-	1
Share options issued via Share Purchase Plan	-	-	-	-
Less: expired share options	(2,974,000)	(2,000,000)	-	(270)
End of financial year 30 June	**30,750,000**	**27,724,000**	**184**	**20**

* Approved 23 June 2023

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

22. Earnings per share and dividends

Earnings per share

Both the basic and diluted earnings per share have been calculated using the loss attributable to the Parent Company (Entyr Limited) shareholders 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 earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

Earnings (AUD)	2023 $'000	2022 $'000
(a) Basic earnings per share:		
Loss from continuing operations attributable to owners of Entyr Limited used to calculate basic earnings per share	(10,176)	(8,487)
(b) Diluted earnings per share		
Loss from continuing operations attributable to owners of Entyr Limited used to calculate diluted earnings per share	(10,176)	(8,487)

Number of shares	2023	2022
Weighted average number of ordinary shares used as a denominator in calculating basic and diluted earnings per share	1,304,733,025	675,717,388
Loss per share attributable to owners of the Company:		
Diluted loss per share (cents per share)	(0.78)	(1.26)

Options, being potential shares, are not considered dilutive as the Group has recorded a loss during the year, which results in potential shares being antidilutive.

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.

23. Share-based payments

The following unlisted share options were granted during years ended 30 June 2023 and 30 June 2022:

Grant date	Expiry date	Exercise price	Vesting	Balance start of the year	Granted	Exercised	Expired/ forfeited/ other	Balance end of the year
2023								
8 Aug 2020	6 Aug 2022	$0.150	Vested	2,974,000	-	-	(2,974,000)	-
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	$0.0345	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	$0.0575	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	$0.0195	Vested	-	6,000,000	-	-	6,000,000
				24,750,000	6,000,000	-	-	30,750,000
Weighted average exercise price				$0.0602	$0.0195	-	$(0.150)	$0.0435
2022								
13 June 2019	13 June 2022	$0.191	Vested	2,000,000	-	-	(2,000,000)	-
8 Aug 2020	6 Aug 2022	$0.150	Vested	2,974,000	-	-	-	2,974,000
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	3 March 2023	-	4,000,000*	-	-	4,000,000
9 May 2022	3 March 2025	$0.0345	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	$0.0575	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
				4,974,000	24,750,000	-	(2,000,000)	27,724,000
Weighted average exercise price				$0.1665	$0.0494	-	$(0.191)	$0.0602

Contractual life of options

The weighted average remaining contractual life of options outstanding at the end of the financial year was 2.5 years (2022: 3.0 years).

Terms and conditions

* Options granted as part of an Executive employment contract for 20 million options vesting over 5 years in tranches of 4 million options at each of 12, 24, 36, 48 and 60 month anniversary with exercise period to be 12 months after the vesting date. In the event that employment is terminated including voluntary termination, the Executive 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 executive. No other terms and conditions are attached to the share options granted apart from those disclosed above.

23. Share-based payments (continued)

Employee benefit expense

The fair value of the options granted 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 accounts factors 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

2023

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	# exercisable at end of year	Fair value at grant date
23 June 2023	20 July 2026	$0.0140	$0.0195	101.210%	0%	4.010%	6,000,000	$0.0081

2022

Grant date	Expiry date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	# exercisable at end of year	Fair value at grant date
11 Oct 2021	10 Oct 2023	$0.035	$0.1200	84.520%	0%	1.019%	750,000	$0.0053
7 Dec 2021	6 Dec 2024	$0.028	$0.0530	84.760%	0%	0.352%	4,000,000	$0.0104
9 May 2022	3 March 2024	$0.022	$0.0230	104.650%	0%	2.780%	4,000,000	$0.0114
9 May 2022	3 March 2025	$0.022	$0.0345	104.650%	0%	3.040%	4,000,000	$0.0120
9 May 2022	3 March 2026	$0.022	$0.0460	104.650%	0%	3.260%	4,000,000	$0.0130
9 May 2022	3 March 2027	$0.022	$0.0575	104.650%	0%	3.260%	4,000,000	$0.0140
9 May 2022	3 March 2028	$0.022	$0.0690	104.650%	0%	3.260%	4,000,000	$0.0149

	Note	2023 $'000 AUD	2022 $'000 AUD
Share based payment reserve movements			
Balance at start of the year		20	235
Employee benefit expense in relation to options		164	55
Less: expired share options		-	(270)
Balance at end of year	21	**184**	**20**

24. Cash flow information

	2023 $'000 AUD	2022 $'000 AUD
Reconciliation of loss after income tax to net cash from operating activities		
Loss after income tax expense for the year	**(10,176)**	**(8,487)**
Adjustments for:		
Depreciation, amortisation, and impairment	3,489	2,621
Gain on disposal of non-current assets	-	(11)
Share-based payments	164	55
Provision for credit losses	(7)	(110)
Provision for environment provision	114	-
Other non-cash items	(42)	-
Changes in operating assets and liabilities:		
change in trade and other receivables	(373)	(8,549)
change in inventory	26	314
change in other assets	30	(80)
change in trade and other payables	(253)	1,755
change in other liabilities	1,543	-
change in provisions	(570)	842
change in deferred tax	(1,558)	887
Net cash from operating activities	**(7,613)**	**(10,763)**

	2023 $'000 AUD	2022 $'000 AUD
Non-cash investing and financing activities		
Additions to the right-of-use assets (note 14)	**5,500**	**1,198**

	Financial Liabilities $'000 AUD	Lease Liabilities $'000 AUD	Total $'000 AUD
Changes in liabilities arising from financing activities			
Balance at 1 July 2022	1,425	2,261	3,686
Loans received	7,400	-	7,400
Acquisition of leases	-	5,500	5,500
Repayment of financial and lease liabilities	(5,818)	(1,078)	(6,896)
Derecognition of leases	-	(126)	(126)
Finance charges/other	-	(38)	(38)
Balance at the end of the year	**3,007**	**6,519**	**9,526**

	Financial Liabilities $'000 AUD	Lease Liabilities $'000 AUD	Total $'000 AUD
Balance at 1 July 2021	1,530	2,221	3,751
Loans received	1,435	-	1,435
Acquisition of leases	-	1,198	1,198
Repayment of financial and lease liabilities	(1,540)	(1,057)	(2,597)
Finance charges/other	-	(101)	(101)
Balance at the end of year	**1,425**	**2,261**	**3,686**

25. Prior Year Acquisition

On 3 December 2021 (acquisition date), Entyr Limited ("Entyr") acquired all of the shares of Keshi Technologies Pty Ltd ("Keshi"). The company was acquired so that the Group could own the Intellectual Property it previously had only usage rights to under a licensing agreement.

The acquisition of the intellectual property will allow Entyr to control the national and eventually international rollout of the thermal desorption technology at a lower cost.

The purchase consideration was $3,375,000, being 112,500,000 shares issued by Entyr at the share price prevailing on the acquisition date of $0.03.

As Keshi does not meet the criteria of a business as defined per *AASB 3 Business Combinations*, the transaction was treated as part of the acquisition of Keshi's net assets. As such, the Goodwill provisionally recognised as at 31 December 2021 was allocated to the value of the intellectual property acquired at cost.

	2022 (Acquisition date) $'000 AUD
Cash and cash equivalents	61
Receivables	-
Plant and equipment (net)	-
Intellectual property (net)	3,365
Liabilities	(51)
Net assets	**3,375**
Goodwill	**-**
Fair value of the total consideration transferred	**3,375**

26. Auditor remuneration

	2023 $'000 AUD	**2022** $'000 AUD
Amounts due and receivable by auditors		
Audit and audit review services to Grant Thornton	-	56,229
Audit and audit review services to Pitchers Partners	60,588	-
Total remuneration to auditors	**60,588**	**56,229**

There were no non-audit services provided by the Group's auditor.

27. Related party transactions

Key Management Personnel Compensation

The Key Management Personnel of the Group include the Non-Executive Directors and Executives.

The Key Management Personnel of the Group during the period are:

- ✓ Michael Barry – Non-Executive Chairman
- ✓ Lindsay Barber – Non-Executive Director
- ✓ Teresa Dyson – Non-Executive Director (appointed 15 February 2023)
- ✓ Leeanne Bond – Non-Executive Director (appointed 15 February 2023)
- ✓ Brad Mytton – Non-Executive Director (resigned 24 August 2022)
- ✓ Brian Mumme – Non-Executive Director (resigned 15 February 2023)
- ✓ Michael Barrett – Non-Executive Director (resigned 15 February 2023)
- ✓ David Wheeley – Chief Executive Officer
- ✓ Andrew Cook – Chief Financial Officer (departed 11 August 2023)

	2023 $AUD	2022 $AUD
Short-term benefits	879,646	753,945
Long-term benefits	-	-
Share-based payments	163,587	52,728
Total remuneration	**1,043,233**	806,673

Other transactions with key management personnel

At a meeting held on 23 June 2023, shareholders approved the issue of listed and unlisted options to key management personnel during the year as set out below (2022: nil). The listed options were issued on 12 July 2023, with an exercise price of $0.04, expiring on 31 December 2024. The unlisted options were issued on 12 July 2023, with an exercise price of $0.0195, expiring on 20 July 2026 and vested on issue (note 33).

Other than remuneration, as disclosed above, there were no other transactions with key management personnel.

Transactions with other Related Parties

Directors and officers or their personally related entities, hold positions in other entities that result in them having control or significant influence over the financial and operating policies of those entities.

There were no transactions with other related parties during the financial year (2022: nil).

28. Contingent assets and liabilities

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

29. Interests in subsidiaries

Composition of the Group

Set out below details of the subsidiaries held directly by the Group:

Name of entity	Country of Incorporation	Class of shares	Proportion of ownership interests held by the Group 2023	2022
Parent Entity:				
Entyr Limited				
Subsidiaries of Entyr Limited:				
Pearl Global Management Pty Ltd	Australia	Ordinary	100%	100%
Australian Tyre Processors Pty Ltd	Australia	Ordinary	100%	100%
Citation Resources Operations Pty Ltd	Australia	Ordinary	100%	100%
Citation Resources Aus Pty Ltd	Australia	Ordinary	100%	100%
Keshi Technologies Pty Ltd	Australia	Ordinary	100%	100%
Subsidiaries of Pearl Global Management Pty Ltd				
Rubber Reclamation Industries Pty Ltd	Australia	Ordinary	100%	100%
Tyre Resource Recovery Pty Ltd	Australia	Ordinary	100%	100%

The ultimate parent entity within the Group is Entyr Limited.

The consolidated financial statements incorporate the assets, liabilities, and results of the subsidiaries in accordance with the accounting policy described in note 2.

There has been no activity in Citation Resources Operations Pty Ltd, Citation Resources Aus Pty Ltd, Keshi Technologies Pty Ltd and Tyre Resource Recovery Pty Ltd in the current year.

30. Financial risk management

Overview

The Group has exposure to the following risks from their use of financial instruments:

- ✓ credit risk
- ✓ liquidity risk
- ✓ market risk
- ✓ interest rate risk

This note presents information about the Group's exposure to each of the above risks, its objectives, policies and processes for measuring and managing risk, and capital management. The Board of Directors is responsible for establishing and overseeing the risk management framework. Management monitors and manages the financial risks relating to the operations of the Group through regular reviews of the risks.

30. Financial risk management (continued)

The Group holds the following financial instruments:

	2023 $'000 AUD	2022 $'000 AUD
Financial Assets		
Cash and cash equivalents	1,344	1,620
Other financial assets	291	317
Receivables	601	514
Financial liabilities		
Trade and other payables	2,909	3,162
Lease liabilities	6,519	2,261
Financial liabilities	3,007	1,425

All financial assets and financial liabilities are measured at amortised cost.

Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from trade receivables. The Group applies the AASB 9 simplified model of recognising lifetime expected credit losses for all trade receivables as these items do not have a significant financing component. To measure expected credit losses, the Group assesses trade receivables on an individual basis as they comprise few, proportionally large balances and have unique credit risk characteristics.

2023	Current $'000	More than 30 days $'000	More than 60 days $'000	More than 90 days $'000	Total $'000
Expected credit loss	-	-	-	39%	
Gross carrying amount	555	4	7	57	623
Loss allowing provision	-	-	-	(22)	(22)
Net carrying amount	**555**	**4**	**7**	**35**	**601**

2022	Current $'000	More than 30 days $'000	More than 60 days $'000	More than 90 days $'000	Total $'000
Expected credit loss	-	-	-	60%	
Gross carrying amount	438	46	12	47	543
Loss allowing provision	-	-	-	(29)	(29)
Net carrying amount	**438**	**46**	**12**	**18**	**514**

30. Financial risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group manages liquidity risk by maintaining adequate reserves by continuously monitoring forecast and actual cash flows.

The Group's financial liabilities have a maturity profile as follows:

2023	Within 6 months $'000	6 – 12 months $'000	1 – 5 years $'000	More than 5 year $'000	Total $'000
Trade and other payables (note 15)	2,910	-	-	-	2,910
Lease liabilities (note 19)	309	292	2,318	3,600	6,519
Financial liabilities (note 18)	2,636	38	333	-	3,007

2022	Within 6 months $'000	6 – 12 months $'000	1 – 5 years $'000	More than 5 year $'000	Total $'000
Trade and other payables (note 15)	3,162	-	-	-	3,162
Lease liabilities (note 19)	544	522	1,195	-	2,261
Financial liabilities (note 18)	1,030	31	364	-	1,425

Market Risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return.

Interest rate risk

The Group's only interest rate risk arises from cash and cash equivalents held. Term deposits and current accounts held with variable interest rates expose the group to cash flow interest rate risk. The Group has, therefore, assessed its interest rate risk as immaterial.

No financial liabilities are subject to variable interest rate risk.

The Group's sensitivity of profit and equity to a reasonably possible change in interest rates of ±0.5% (2022: ±0.5%) is considered to be immaterial.

31. Capital management

The Group's capital management objectives are:

- ✓ to ensure the Group's ability to continue as a going concern; and
- ✓ to provide an adequate return to shareholders by pricing products and services to reflect the level of risk involved in providing those goods and services.

The Group monitors capital on the basis of the carrying amount of equity plus its subordinated loan, less cash and cash equivalents as presented on the face of the statement of financial position.

The Group's goal in capital management is to maintain a capital-to-overall financing ratio greater than 0.4 and improve this ratio over time.

Management assesses the Group's capital requirements in order to maintain an efficient overall financing structure while avoiding excessive leverage. This takes into account the subordination levels of the Group's various classes of debt. The Group manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The amounts managed as capital by the Group for the reporting periods under review are summarised as follows:

	2023	2022
	$'000 AUD	$'000 AUD
Total equity	14,412	14,418
Cash and cash equivalents	(1,344)	(1,620)
Capital	**13,068**	**12,798**
Total equity	14,412	14,418
Borrowings	3,007	1,425
Lease liabilities	6,519	2,261
Overall financing	**23,938**	**18,104**
Capital-to-overall financing ratio	**0.55**	**0.71**

32. Parent Information

Information relating to Entyr Limited (the Parent Entity):

Statement of Financial Position	2023 $'000 AUD	2022 $'000 AUD
ASSETS		
Current assets	10,242	10,614
Non-current Assets	4,701	5,754
Total Assets	14,943	16,368
LIABILITIES		
Current Liabilities	4,719	2,386
Non-current Liabilities	1,491	65
Total Liabilities	6,210	2,451
EQUITY		
Issued Capital	101,171	91,163
Retained earnings	(95,819)	(80,463)
Option reserve*	1,697	1,635
Share-based payment reserve	1,684	1,582
Total Equity	8,733	13,917

Statement of Profit or Loss and Other Comprehensive Income	2023 $'000 AUD	2023 $'000 AUD
Total loss	(15,356)	(8,717)
Total comprehensive loss	(15,356)	(8,717)

* On 3 December 2021, Entyr Limited acquired all the share of Keshi Technologies Pty Ltd, through a share issue. Refer to Note 25 for further information.

Cash backed guarantee

The Parent entity holds $198,672 in term deposit as a cashed-backed guarantee in relation to the lease of its Stapylton site.

The parent entity has no contingent liabilities at the year-end.

33. Events after the Reporting Period

On 23 June 2023, shareholders approved Tranche 2 of the placement announced in May 2023 for the issue of 219,968,419 ordinary fully paid shares at a price of 1.7 cents each to raise $3.74 million before issue costs. Directors Mr Michael Barry, Ms Teresa Dyson and Ms Leeanne Bond participated in Tranche 2 of the placement with shareholder approval.

The Company offered eligible shareholders the opportunity to participate in a share purchase plan (SPP) on the same terms as the May 2023 placement. The SPP was completed on 7 July 2023, raising $391,500 before issue costs (23,029,035 shares).

At the 23 June meeting, shareholders also approved the issue of attaching options to the shares issued in Tranche 1 and 2 of the May 2023 placement and the SPP based on one attaching option for every two new shares issued. A total of 234,576,364 attaching options exercisable at 4 cents each with an expiry date of 31 December 2024 were issued.

All shares and listed options above were issued on 12 July 2023.

On 23 June 2023, shareholders of the Company approved the grant of 6,000,000 unlisted options over ordinary shares in the Company to Non-Executive Directors. While the grant date is deemed 23 June 2023, the issue date of these unlisted options was 21 July 2023.

The incentive options were issued as part of the directors' remuneration, and no performance conditions exist in relation to the options issued, and as such, the options were vested immediately.

Directors Declaration

1. In the opinion of the Directors of the Company:

   (a) The consolidated financial statements and notes of the Company are in accordance with the *Corporations Act 2001*, including:

   (i) Giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and

   (ii) Complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*; and

   (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

2. The Directors have been given the declarations required by Section 295A of the Corporations Act 2001 for the financial year ended 30 June 2023.

3. Note 2(c) confirms that the consolidated financial statements comply with International Financial Reporting Standards.

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
31 August 2023, at Ormeau, Queensland

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Independent Auditor's Report to the Members of Entyr Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Entyr Limited, ("the Company") and its controlled entities ("the Group"), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, notes to the financial statements including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

(a) giving a true and fair view of the Group's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
(b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit 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 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 report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

We draw attention to Note 2(ee) in the financial report that states the Group incurred a net loss after tax for the year ended 30 June 2023 of $10,176,000 (2022: $8,487,000). As at the 30 June 2023, the Group reported operating cash outflows of $7,613,000 (2022: $10,763,000). At 30 June 2023 the Group held cash and cash equivalents of $1,344,000 (2022: $1,619,000). These events or conditions, along with other matters as set forth in Note 2(ee), indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the material uncertainty related to going concern section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	How our audit addressed the key audit matter
Accounting for Research and Development tax incentives (refer to note 3)	
The Group receives Research and Development (R&D) tax incentive payments under the research and development tax incentive scheme from the Australian Government. The recognition of R&D incentives reduces the total cost incurred for R&D activities undertaken by the Group. As disclosed at Note 3, the Group recognised $7.853 million in Federal Government R&D grant income in the current period. R&D tax incentives are deemed to be a key audit matter due to the subjectivity and judgement required in relation to the application for the R&D tax incentive program, as well as the measurement of the estimate in respect to the current year Federal Government R&D grant income and related receivable.	Our procedures included amongst others: • Understanding and evaluating the design and implementation of controls over the R&D grant claims process; • Comparing the nature of the R&D expenditure included in the current year estimate to the prior year claim; • Testing, on a sample basis, costs allocated to R&D to evaluate their eligibility in accordance with the relevant legislation; • Reviewing, with the assistance from our R&D tax specialist, the R&D tax incentive calculations prepared by management's independent expert to ensure the calculations have been performed on a reasonable basis. • Reviewing relevant correspondence, income tax lodgements and amounts received from the ATO during the year, and subsequent to year end, in comparison to amounts recorded as federal government R&D grant income receivable at year end; and • Assessing the adequacy of the disclosures in the financial report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the 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 financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial report of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 9 to 14 of the directors' report for the year ended 30 June 2023. In our opinion, the Remuneration Report of Entyr Limited, for the year ended 30 June 2023, complies with section 300A of the *Corporations Act 2001*.

Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

PITCHER PARTNERS

DANIEL COLWELL
Partner

Brisbane, Queensland
31 August 2023

Additional Information

Additional information required by ASX listing rules as at 28 August 2023 and not disclosed elsewhere in this report is set out below.

Quoted securities

Ordinary shares

The issued capital comprised of 1,976,853,893 ordinary fully paid shares held by 2,811 holders.
The voting rights of shares are set out in note 21.

Options

The Company has 234,576,364 listed options over ordinary shares with an exercise price of $0.04 each, exercisable on or before 31 December 2024 and held by 168 holders.

Distribution schedule of shareholders

Holding - Ordinary Shares (ASX: ETR)	Number of Holders	Number of units
1 – 1,000	1,004	101,631
1,001 – 5,000	140	401,946
5,001 – 10,000	124	979,806
10,000 – 100,000	674	31,664,900
100,001 and over	869	1,943,705,610
Total	**2,811**	**1,976,853,893**

1,666 shareholders hold less than a marketable parcel of ordinary shares.

Top 20 shareholders

Rank	Name	Units	Percentage of units
1	EVJ Holdings Pty Ltd <Edwina A/C>	117,734,220	5.96
2	Perpetual Corporate Trust Ltd <First State Super Scheme>	113,954,963	5.76
3	Abilas Holdings Australia Pty Ltd <The Abilas A/C>	67,000,000	3.39
4	HSBC Custody Nominees (Australia) Limited - A/C 2	57,095,514	2.89
5	Jasforce Pty Ltd	48,264,800	2.44
6	Bretnall Custodians Pty Ltd <Foster Family A/C>	45,899,337	2.32
7	Mr Andrew Drennan <Drennan Family A/C>	35,296,552	1.79
8	Fordholm Consultants Pty Ltd <Diana Boehme Super Fund A/C>	34,687,028	1.75
9	Citicorp Nominees Pty Limited	30,174,854	1.53
10	Perpetual Corporate Trust Ltd <ROC ESPET>	29,645,182	1.50
11	National Nominees Limited	26,470,601	1.34
12	Buduva Pty Ltd <Baskerville Super Fund A/C>	22,486,150	1.14
13	HSBC Custody Nominees (Australia) Limited	22,479,168	1.14
14	Kedo (Aust) Pty Ltd	19,801,870	1.00
15	Morgan Stanley Australia Securities (Nominee) Pty Limited <No 1 A/C>	19,417,753	0.98
16	Bungeeltap Pty Ltd	18,109,889	0.92
17	Bungeeltap Pty Ltd <H & B Robertson S/F A/C>	15,841,150	0.80
18	Buduva Pty Ltd	14,513,850	0.73
19	Robinson House Pty Ltd <Robinson Super Fund A/C>	14,200,028	0.72
20	Fifty Second Celebration Pty Ltd <McBain Family A/C>	13,800,000	0.70
Total		**766,872,909**	**38.8**

Additional Information (continued)

Substantial shareholders

Ordinary Shareholder	Number of fully paid ordinary shares	Percentage of units
ROC Alternative Investment Pty Ltd & FSS Trustee Corporation as trustee of the First State Superannuation Scheme and ROC Capital Pty Limited as trustee for ROC ES Private Equity Trust	143,981,285	7.28%
EVJ Holdings Pty Ltd	117,734,220	5.96%

Distribution schedule of listed option holders

Holding - Options (ASX: ETRO)	Number of Holders	Number of units
1 – 1,000	-	-
1,001 – 5,000	-	-
5,001 – 10,000	-	-
10,000 – 100,000	24	1,441,163
100,001 and over	144	233,135,201
Total	**168**	**234,576,364**

Top 20 listed option holders

Rank	Name	Units	Percentage of units
1	Citicorp Nominees Pty Limited	18,621,746	7.94
2	HSBC Custody Nominees (Australia) Limited - A/C 2	17,647,100	7.52
3	EVJ Holdings Pty Ltd <Edwina A/C>	17,179,310	7.32
4	National Nominees Limited	13,235,300	5.64
5	HGL Investments Pty Ltd	7,500,000	3.20
6	Bilgola Nominees Pty Limited	7,352,950	3.13
7	Fordholm Consultants Pty Ltd <Diana Boehme Super Fund A/C>	6,000,000	2.56
8	Sandhurst Trustees Ltd <Cyan C3G Fund A/C>	6,000,000	2.56
9	Jasforce Pty Ltd	5,882,400	2.51
10	Morgans Foundation Ltd <Morgans Foundation A/C>	5,882,375	2.51
11	North Of The River Investments Pty Ltd	5,000,000	2.13
12	CG Nominees (Australia) Pty Ltd	3,900,795	1.66
13	Mr Graeme Anthony McDonald + Mrs Susan Wendy McDonald	3,823,529	1.63
14	Buduva Pty Ltd <Baskerville Super Fund A/C>	3,000,000	1.28
15	Mr James William Litchfield + Mrs Elizabeth Jess Litchfield <Hazeldean Pty Ltd S/F A/C>	3,000,000	1.28
16	R J & A Investments Pty Ltd <Muller Morvan Family A/C>	2,999,999	1.28
17	Kamaso Pty Ltd <Woolford Family A/C>	2,941,200	1.25
18	Honeystash Pty Ltd <Honeypot A/C>	2,941,176	1.25
19	HSBC Custody Nominees (Australia) Limited	2,941,176	1.25
20	Palcort Pty Limited <Lancken Retirement Fund A/C>	2,941,176	1.25
Total		**138,790,232**	**59.15**

Additional Information (continued)

Restricted securities
No securities are subject to escrow.

On-Market Buyback
There is no current on-market buy-back.

Unquoted securities

Options
As at 28 August 2023, the Company had the following unlisted options over ordinary shares:

- ✓ 750,000 unlisted options with an exercise price of $0.12 each, exercisable on or before 10 October 2023, held by 1 holder;
- ✓ 6,000,000 unlisted options with an exercise price of $0.0195 each, exercisable on or before 20 July 2026, held by 3 holders;
- ✓ 4,000,000 unlisted options with an exercise price of $0.053 each, exercisable on or before 6 December 2024, held by 1 holder;
- ✓ 4,000,000 unlisted options with an exercise price of $0.023 each, exercisable on or before 3 March 2024, held by 1 holder;
- ✓ 4,000,000 unlisted options with an exercise price of $0.0345 each, exercisable on or before 3 March 2025, held by 1 holder;
- ✓ 4,000,000 unlisted options with an exercise price of $0.046 each, exercisable on or before 3 March 2026, held by 1 holder;
- ✓ 4,000,000 unlisted options with an exercise price of $0.0575 each, exercisable on or before 3 March 2027, held by 1 holder;
- ✓ 4,000,000 unlisted options with an exercise price of $0.069 each, exercisable on or before 3 March 2028, held by 1 holder.

The names of holders of more than 20% of an unlisted class of security are:

Unlisted options	Holder	Number of Options	Percentage
Exercisable at $0.12 each expiring 10 October 2023	Sam Young	750,000	100%
Exercisable at $0.053 expiring 6 December 2024	Michael Barry	4,000,000	100%
Exercisable at $0.023 expiring 3 March 2024	David Wheeley	4,000,000	100%
Exercisable at $0.0345 expiring 3 March 2025	David Wheeley	4,000,000	100%
Exercisable at $0.046 expiring 3 March 2026	David Wheeley	4,000,000	100%
Exercisable at $0.0575 expiring 3 March 2027	David Wheeley	4,000,000	100%
Exercisable at $0.069 expiring 3 March 2028	David Wheeley	4,000,000	100%
Exercisable at $0.0195 expiring 20 July 2026	Teresa Dyson	2,000,000	33%
	Lindsay Barber	2,000,000	33%
	Bondatron Pty Ltd	2,000,000	33%