

Appendix 4C

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

Name of entity

Papyrus Australia Ltd

ABN

63 110 868 409

Month ended ("current Month")

February 2025

Consolidated statement of cash flows	Current month \$A'000	Year to date (8 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(533)	(882)
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(11)	(121)
(f) administration and corporate costs	(20)	(385)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		(25)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		332
1.8 Other (provide details if material)	(6)	(22)
1.9 Net cash from / (used in) operating activities	(570)	(1,103)

2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(38)	(39)
(d) investments		
(e) intellectual property		(10)

Consolidated statement of cash flows	Current month \$A'000	Year to date (8 months) \$A'000
(f) other non-current assets		
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities	527	873
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	489	824

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		150
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options		
3.4 Transaction costs related to issues of equity securities or convertible debt securities		
3.5 Proceeds from borrowings		288
3.6 Repayment of borrowings		(264)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities		174

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	343	519
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(570)	(1,103)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	489	824

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Consolidated statement of cash flows		Current month \$A'000	Year to date (8 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)		174
	Adjustment		1
4.5	Effect of movement in exchange rates on cash held		(153)
4.6	Cash and cash equivalents at end of period	262	262

5.	Reconciliation of cash and cash equivalents at the end of the month (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current month \$A'000	Previous month \$A'000
5.1	Bank balances	262	344
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of month (should equal item 4.6 above)	262	344

6.	Payments to related parties of the entity and their associates	Current month \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	-
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
<p><i>Note: if any amounts are shown in items 6.1 or 6.2, your monthly activity report must include a description of, and an explanation for, such payments.</i></p>		

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7.	Financing facilities	Total facility amount at month end \$A'000	Amount drawn at period end \$A'000
	<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1	Loan facilities	250	0
7.2	Credit standby arrangements		
7.3	Other (please specify)	131	131
7.4	Total financing facilities	381	0
7.5	Unused financing facilities available at month end		250
7.6	Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after month end, include a note providing details of those facilities as well.		
	<p>The loan facility for \$250k is in place with Talisker Pty Ltd a company associated with Ramy Azer. Drawdowns at the board's discretion can be request in tranches of \$50k.</p> <p>Interest is only payable on any drawdown amounts and is calculated by applying the NAB "Usaver savings account or, the 12 months term deposit rates" (whichever is the greater plus a 1% margin.</p> <p>Currently no drawdowns have been made on this facility.</p> <p>The Company has an arrangement with Radium Capital to advance loans based on the R&D undertaken that is eligible under the Australian Government Research and Development Tax Incentive Program (R&DTI). The process for drawdowns requires the company to make an application to Radium Capital which is supported by expenditure incurred. The repayment of the loan drawdowns is repaid following the submission of the Company tax return at year end. The annual interest rate payable on loan drawdowns is 15%.</p> <p>The company has applied to Radium Capital to extend the current R&DTI loan facility based on the additional R&D work completed and expensed YTD.</p>		

8.	Estimated cash available for future operating activities	\$A'000
8.1	Net cash from / (used in) operating activities (item 1.9)	(570)
8.2	Cash and cash equivalents at month end (item 4.6)	262
8.3	Unused finance facilities available at month end (item 7.5)	250
8.4	Total available funding (item 8.2 + item 8.3)	512
8.5	Estimated months of funding available (item 8.4 divided by item 8.1)	0.9
	<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated months of funding available must be included in item 8.5.</i>	

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8.6 If item 8.5 is less than 6 months, please provide answers to the following questions:

8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?

Answer: No.

Included in the Current Month total outflow amount of \$570,000 is one items considered to be abnormal on the basis that it is not a reoccurring expense.

\$527,000 for R&D Activities carried out by PPYEg on behalf of Papyrus Australia Ltd ("PPY"). Payment for these services was via the reduction of the inter-company loan. Note that the inter-company loan relates to funds previously transferred by the Company to PPYEg to support its operating activities.

The amount referred to above, distorts the calculation in item 8.5 which in the Companies view is designed to reflect the period of time remaining before current available funds are exhausted based on normal operating activities. Hence, for the purpose of calculating item 8.5 this amount should be removed, in order to not mislead the market relating to the Company been able to fund its future operating activities. Accordingly, applying this process to the calculating, the resulting number of funding months available would be 11.90

8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer: Yes.

The Company continually reviews its funding options to ensure that it raises sufficient cash to maintain its operating activities. And based on the success of past capital raising activities expects that any future capital raising activities will be successful.

The Company has also applied to Radium Capital to extend the current R&DTI loan facility based on the additional R&D expenditure YTD.

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer: Yes

Based on the success of previous capital raisings, the implementation of the previously announced Vietnam initiative, successful progress of projects in the commercialisation roadmap and the related capital raising which is being managed by L39.

Note: where item 8.5 is less than 2 months, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.

NOTE: The information provided in this Appendix 4c does not include financial information of Papyrus Egypt, as Papyrus Australia does not currently control Papyrus Egypt even though it has a direct equity interest of 50% and an indirect equity interest of 19.61% (through its 39.22% equity interest in the joint venture partner EBFC (Egyptian Banana Fibre Company)

The activities of Papyrus Egypt are currently accounted for in the half year report and annual report using the equity accounting method.

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Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 27 March 2025

Authorised by: By the Board
(Name of body or officer authorising release – see note 4)

Notes

1. This monthly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past month, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this monthly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this monthly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.