

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")

October 2023

Consolidated statement of cash flows	Current Month \$A'000	Year to date (4 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(28)	(114)
(f) administration and corporate costs	(94)	(273)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives		98
1.8 Other (provide details if material)	(2)	(10)
1.9 Net cash from / (used in) operating activities	(124)	(299)

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

Consolidated statement of cash flows	Current Month \$A'000	Year to date (4 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	392	104
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
2.6 Net cash from / (used in) investing activities	392	104

3. Cash flows from financing activities		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	-	80
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options	5	5
3.4 Transaction costs related to issues of equity securities or convertible debt securities		(5)
3.5 Proceeds from borrowings		164
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	5	244

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	200	424
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(124)	(299)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	392	104

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Consolidated statement of cash flows		Current Month \$A'000	Year to date (4 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5	244
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	473	473

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	473	473
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	473	473

6.	Payments to related parties of the entity and their associates	Current quarter \$A'000
6.1	Aggregate amount of payments to related parties and their associates included in item 1	14
6.2	Aggregate amount of payments to related parties and their associates included in item 2	-
	<ul style="list-style-type: none"> • Payment to Director for monthly consulting fees for services rendered for the October 2023: CC&C Pty Ltd (for Pascal Gouel) \$5k • Payment to Director for reimbursement of expenses for the October 2023: V P Rigano & Co Pty Ltd (for Vince Rigano) \$9k 	
<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 quarter end \$A'000	Amount drawn at quarter 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)		
7.4 Total financing facilities	250	0
7.5 Unused financing facilities available at quarter 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 quarter 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.</p>	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(124)
8.2 Cash and cash equivalents at month end (item 4.6)	473
8.3 Unused finance facilities available at month end (item 7.5)	250
8.4 Total available funding (item 8.2 + item 8.3)	723
8.5 Estimated months of funding available (item 8.4 divided by item 8.1)	5.99
<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>	
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: Yes	
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?	
<p>Answer: The board continually reviews its cash requirements to ensure that sufficient cash is available to fund its operating activities and its capital raising options.</p> <p>The company is in the process of finalising its research and development tax offset for the 2023 financial year which is expected to generate \$330k in funding. To assist with the cash flow requirements, the Company had negotiated a short-term loan facility of \$160k which is repayable from the expected tax offset refund. The balance of \$170k is expected to be received in November 2023.</p>	

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, in addition to the comment in 8.6.2. The Company is negotiating with several interested parties for the implementation of its technology and based on the current "burn" rate sufficient funds will be available until these negotiations are concluded.

Note: where item 8.5 is less than 6 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.

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: 30 November 2023

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

Notes

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