

ASX ANNOUNCEMENT

5 May 2025



Appendix 4C Quarterly Report for March 2025 - Revised

Reference: Clarification to Appendix 4C March Quarter 2025 (released 23 April 2025)

Papyrus Australia Ltd (PPY) is providing clarifications and a revision to the March 2025 Quarterly Appendix 4C released to the market on 23 April, and particularly the treatment of R&D expenditure incurred by PPYeg on behalf of PPY.

a. Nature of the treatment

R&D expenditure of \$527k incurred and reported in the March 2025 quarterly appendix 4C at item 1.9. Payment for this expenditure was offset against the PPYeg loan account and hence was treated as a cash payment and accordingly reflected in the Appendix 4C.

b. Reason for the amendment

This R&D expenditure was treated as a cash payment and was offset against the PPYeg loan account. This logic was based on the fact that if the invoice raised by PPYeg had been physically paid in cash and PPY had at the same time received a repayment from PPYeg of a similar amount in cash, then the treatment reflected in the lodged appendix 4C would have been correct.

Following discussions with the Company auditor it became clear that this treatment (i.e. offsetting the R&D expenditure against the PPYeg loan account) was not correct and should have been treated as a non-cash transaction and therefore not included in the March 2025 Appendix 4C. The amended Appendix 4C attached to this letter reflects the correct position after removing PPYeg expenditure from item no 1.9 and the PPYeg loan account reflected in item 2.6.

c. List of Appendix 4C cashflow reports that are affected:

1. Monthly Report February 2025 released on 27 March 2025
2. Quarterly Report ending December 2024 released on 31 January 2025
3. Monthly Report November 2024 released on 30 December 2024 and revised on 8 January 2025

- d. Table summarising net operating cash flow from operating activities and investing activities as stated Vs. correct amount in Appendix 4C lodged by PPY on MAP from December 2024 to March 2025

Table1: Corrections to cash flow from Operating Activities and Investing Activities

	Stated Report Amounts		Corrected Amounts	
	1.9 Net cash from / (used in) operating activities	2.6 Net cash from / (used in) investing activities	1.9 Net cash from / (used in) operating activities	2.6 Net cash from / (used in) investing activities
Appendix 4C for Quarter ended 31 Mar 2025	-685	483	-158	-44
Appendix 4C for the month of February 2025	-570	489	-43	-38
Appendix 4C for Quarter ended 31 December 2024	-284	345	62	-1
Appendix 4C for the month of November 2024	-456	346	-110	0



Mr Vince Rigano
Company Secretary
Papyrus Australia Ltd

Amended Appendix 4C

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

Name of entity

Papyrus Australia Ltd

ABN

63 110 868 409

Quarter ended ("current quarter")

March 2025

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
research and development	(6)	(9)
product manufacturing and operating costs		
advertising and marketing		
leased assets		
staff costs	(68)	(147)
administration and corporate costs	(77)	(397)
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)	(7)	(27)
1.9 Net cash from / (used in) operating activities	(158)	(273)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) property, plant and equipment businesses	(44)	(45)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
	investments		
	intellectual property		(10)
	other non-current assets		
2.2	Proceeds from disposal of:		
	(a) entities		
	businesses		
	property, plant and equipment		
	investments		
	intellectual property		
	other non-current assets		
2.3	Cash flows from loans to other entities		
2.4	Dividends received (see note 3)		
2.5	Other (provide details if material)		
2.6	Net cash from / (used in) investing activities	(44)	(55)

3.	Cash flows from financing activities		
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	200	200
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	200	224

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	265	519
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(158)	(273)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(44)	(55)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	200	224
	Adjustment		1
4.5	Effect of movement in exchange rates on cash held		(153)
4.6	Cash and cash equivalents at end of period	263	263

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	263	265
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)	263	265

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	7
6.2	Aggregate amount of payments to related parties and their associates included in item 2 <ul style="list-style-type: none"> Payment to VP Rigano & Co Pty Ltd for Company Secretarial services from December 2024 to February 2025 by Vince Rigano as Company Secretary \$6,600 Payment to David Attias as Company Director for reimbursement of travel expenses incurred \$ 685 	

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.

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)	131	131
7.4 Total financing facilities	381	131
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 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 16%.</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)	(158)
8.2 Cash and cash equivalents at quarter end (item 4.6)	263
8.3 Unused finance facilities available at quarter end (item 7.5)	250
8.4 Total available funding (item 8.2 + item 8.3)	513
8.5 Estimated quarters of funding available (item 8.4 divided by item 8.1)	3.25
<i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer:	

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:

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:

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

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: 5 May 2025

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.