

## Appendix 4D Requirements

### Results for announcement to the market

	31 December 2023 \$A	31 December 2022 \$A		Percentage change
Revenues from ordinary activities	-	-	-	-
Profit / (loss) from ordinary activities after tax attributable to the members	(234,096)	(793,345)	down	238.9%
Profit / (loss) for the period attributable to members	(234,096)	(793,345)	down	238.9%

### Dividends (distributions)

No dividend has been paid during the period ended 31 December 2023

The directors have not proposed a dividend for the period ended 31 December 2023

<b>Net Tangible Assets Per Security - cents</b>	\$ 0.005	\$ 0.005
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# **Papyrus Australia Ltd**

**ABN 63 110 868 409**

## **Half Year Report**

**for the half year ended 31 December 2023**

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## **Directors' Report**

### **For the Period ended 31 December 2023**

The Directors of Papyrus Australia Ltd ('Papyrus') present their Report together with the financial statements of the consolidated entity, being Papyrus Australia Ltd ('the Company') and its controlled entities ('the Group') for the half year ended 31 December 2023.

#### **Director Details**

The following persons were directors of Papyrus during the half year and until the date of this report unless otherwise stated.

Mr Edward Byrt, Chairman  
Mr Vincent Rigano, Non-Executive Director  
Mr David Attias, Non-Executive Director  
Mr Pascal Gouel Executive Director

#### **Review of Operations**

##### **Highlights**

- The first contracted moulding line for the Egyptian Government is installed and the first milestone payment made
- Philippines visit to engage with banana producers and packaging companies
- Prefeasibility studies for potential partners in The Philippines, South America and India
- Papyrus Egypt valuation and Due Diligence for proposed Consolidation
- Design work for modularization of primary processing equipment
- Studies to monetize the greenhouse gas assets achieved with Papyrus technology
- Papyrus receives research and development tax incentive funds in Australia

##### **Egyptian Government Contract (MP)**

1. The Egyptian Government's National Authority for Military Production (MP) contract for equipment to produce moulded banana fibre packaging products achieved significant milestones by December 2023, marking a pivotal step forward in fulfilling our obligations in the Cooperation Protocol and Roadmap signed with the Egyptian Government.
2. This first contract for Papyrus to supply a production line has provided a significant turning point for the company both in terms of commercialization of our technology and business modelling. The decisions by the MP to maintain Papyrus to manage the operations of the facility for the first year and to work together to develop component manufacturing under Papyrus license provides a positive partnership model which will facilitate negotiations for further contracts.
3. In accordance with the terms of the contract, with equipment arrival and formal handover at the facility, the MP made the first payment milestone resulting in Papyrus Egypt repayment of part of its loan from Papyrus Australia to the value of AUD\$388,317
4. Equipment assembly and installation for the MP commenced in October and is ongoing with the commissioning of the production line due to commence in January.

## **Directors' Report (cont.)**

**For the Period ended 31 December 2023**

### **Review of Operations (cont.)**

#### **Moulded product marketing and distribution**

5. Discussions have been held with packaging product distribution companies in Australia and in Egypt regarding cooperation on sales agreements and exporting the MP products.
6. Target products have been identified with an Australian packaging product distribution company as Papyrus prepares to market some of the moulded packaging products that will be produced at the MP facility in Egypt as part of the Offtake Agreement.

#### **Director visit to Egypt**

7. In July 2023, Director and Company Secretary Mr Vince Rigano visited Egypt to meet with the valuers in Cairo with regard to Papyrus Egypt valuation exercise. He also conducted an operations review of the plants and attended meetings with the Asyut Governate Governor, department heads, ministerial representatives, MI Engineering and Papyrus Egypt, regarding the planned MI Engineering plant.

#### **Primary processing containerization design**

8. Papyrus Australia has undertaken the engineering and design work to modularize the processing facilities developed in Egypt for containerization. This will enable equipment to be easily deployed to new locations and facilities in a variety of environments and regions.

#### **Environmental benefits and value opportunities**

9. Papyrus has invested in research by Envirolabs in Australia to develop a verification and certification methodology to measure and monetize the greenhouse gas assets achieved through the abatement of methane gas otherwise emitted by decomposing banana plantation waste. The EnviroLabs team is working with the University of NSW to deliver institutional grade and data-driven sustainability infrastructure using their proprietary protocols to verify environmental work such as carbon reductions directly from the source. This analysis builds on the work previously undertaken by Papyrus in 2010 to map the environmental benefits and value opportunities of the Papyrus technology and is a key element of the commercialization model.
10. The investment in updated verification of carbon reduction measures will enable joint venture partners to seek project funding from sources such as the United Nations Green Climate fund which allocates its resources to low-emission and climate-resilient projects and programs in developing countries. The use of new technologies, business models incorporating methodologies and practices that contribute to sustainable development can attract these new growth and investment opportunities which include private sector funding.

#### **Consolidation proposal for Papyrus Egypt within Australia**

11. The strategy in place for Papyrus Australia to consolidate Papyrus Egypt (PPYEg) is progressing with further due diligence by the Papyrus Board in Australia. The consolidation will align the entities more closely and benefit Papyrus with shared financial and operational resources and greater strategic and operational control.

## **Directors' Report (cont.)**

### **For the Period ended 31 December 2023**

#### **Review of Operations (cont.)**

12. As part of the proposal, the group engaged an independent valuation of Papyrus Egypt. Following receipt of the valuation in Australia in October, the Board agreed to take the next step and obtain independent expert advice (IEA) to establish if the transaction is fair and/or reasonable for shareholders.
13. It is anticipated that these further reports will be finalised early in 2024 which will provide the basis for the next steps towards consolidation.

#### **International plantation visits**

14. The Interim CEO and Manager of Engineering visited plantations in the Philippines in October to continue the development of a project feasibility study and business case for a potential integrated production facility.
15. The key outcomes from a visit to three large operations which enhanced our relationship development included:
  - clarifying partnership objectives in the productive use of the voluminous unutilized plantation resource
  - data for economic modelling for packaging production to reduce outsourced packaging
  - assessing raw material logistics
  - assessing potential sites for processing facilities and moulding facilities
  - farm packaging product requirements and a broader scope of product opportunities
  - environmental sustainability considerations in reduced plantation waste methane emissions.

#### **Business Development**

16. The business development team have prefeasibility studies underway with potential partners in South America and India in addition to the Philippines.
17. Engagement with potential partners included presentation of the business model and provision of information for prefeasibility assessments for new joint venture (JV) partnerships. The growers have access to land and financial capability for the establishment of a waste material processing and moulding facility with Papyrus. The growers value the ability to convert their agri-waste problem into new products and revenue streams.
18. The Papyrus feasibility analysis framework assists prospective clients with specifically targeted information for commercial modelling assessments based on the region, product requests, markets and partner capability.
19. A Budget and detailed Business Development and Marketing Plan have also been developed with a focus on developing the technology supply chain capability for new production facilities to shorten the fabrication, delivery and installation timeframes.

#### **Research and Development Tax Incentives (R&DTI)**

20. Papyrus has registered for the Australian Government Research and Development Tax Incentive (R&DTI) program. The R&DTI program aims which encourage research and development within Australia to improve productivity across the Australian economy.

## **Directors' Report (cont.)**

### **For the Period ended 31 December 2023**

#### **Review of Operations (cont.)**

21. The Papyrus Australia tax refund offset for the financial period ended June 2023 was \$336,521 and Papyrus received \$161,777 of this amount in November 2023 after the R&D tax loan previously received was paid out.
22. Papyrus has received approval from AusIndustry to claim eligible overseas R&D costs for activities conducted in Egypt and other locations, as part of its annual R&D Tax Incentive claims for the financial years 2023 – 2025 and Information is being prepared for the next claim.

#### **Biodiversity recognition for Papyrus technology**

23. The Papyrus interim CEO Mr Daniel Schmidt was interviewed in August by a European Impact Investor group who are developing a new European business benchmark to determine good practices of companies that act on biodiversity. The investor group seeks to challenge large EU companies that have not adopted biodiversity or sustainability targets and propose transformative solutions and practices based on the developed benchmark. Papyrus practices were recommended by another impact investor group who made Papyrus part of their 'investment universe' earlier in 2023.

#### **Corporate Activities**

24. During the reporting period, \$75,200 was raised from sophisticated investors with a further \$5,000 raised by the conversion of unlisted options.
25. The Papyrus AGM was held on 29 November 2023, with all resolutions carried.
26. The Company is meeting expenses as and when they fall due and there are no known unbudgeted expense items. The Directors have continued to forgo their remuneration.

#### **Auditor's independence declaration**

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is included on page 8 of this financial report and forms part of this Directors' report.

Signed in accordance with a resolution of the directors.



Mr Edward Byrt  
Chairman  
29 February 2024

DECLARATION OF INDEPENDENCE  
BY LINH DAO  
TO THE DIRECTORS OF PYPYRUS AUSTRALIA LTD

As lead auditor for the review of Papyrus Australia Ltd for the half-year ended 31 December 2023, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Papyrus Australia Ltd and the entities it controlled during the period.



Linh Dao  
Director

BDO Audit Pty Ltd

Adelaide, 29 February 2024

## Consolidated statement of profit or loss and other comprehensive income

For the Period ended 31 December 2023

	Note	Consolidated Group	
		31 December 2023 \$	31 December 2022 \$
Other income		336,621	-
Consultancy expense		(128,230)	(212,659)
Depreciation expense		(1,062)	-
Employee benefit expense		(133,637)	(193,070)
Share based payment expense		(220,410)	(11,275)
Insurance costs		(20,154)	(20,356)
Travel & accommodation		(15,257)	(45,296)
Other expenses		(214,209)	(153,832)
Share of net profit of associate and joint venture		162,242	(156,857)
<b>Profit/(loss) before income tax benefit</b>		<b>(234,096)</b>	<b>(793,345)</b>
Income tax expense		-	-
<b>Profit/(loss) for the period</b>		<b>(234,096)</b>	<b>(793,345)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(234,096)</b>	<b>(793,345)</b>
Profit/(loss) attributable to the parent		(234,096)	(793,345)
Profit/(loss) attributable to non-controlling interest		-	-
<b>Profit/(loss) for the period</b>		<b>(234,096)</b>	<b>(793,345)</b>
Total comprehensive income attributable to the parent		(234,096)	(793,345)
Total comprehensive income attributable to non-controlling interest		-	-
<b>Total comprehensive income for the year</b>		<b>(234,096)</b>	<b>(793,345)</b>
<b>Earnings per share:</b>		<i>Cents</i>	<i>Cents</i>
Basic earnings per share		(0.05)	(0.25)
Diluted earnings per share		(0.05)	(0.25)

The consolidated statement of profit or loss and other comprehensive income is to be read in conjunction with the notes to the consolidated interim financial report.

## Consolidated statement of financial position

### As at 31 December 2023

		Consolidated Group	
		31 December 2023	30 June 2023
		\$	\$
Note			
	<b>CURRENT ASSETS</b>		
	Cash and cash equivalents	324,997	425,003
	Trade and other receivables	1,359,270	1,559,071
	Prepayment	28,822	6,067
	<b>TOTAL CURRENT ASSETS</b>	<b>1,713,089</b>	<b>1,990,141</b>
	<b>NON-CURRENT ASSETS</b>		
	Property, plant & equipment	6,047	2,280
	Investments accounted for using the equity method	973,147	689,856
	<b>TOTAL NON-CURRENT ASSETS</b>	<b>979,194</b>	<b>692,136</b>
	<b>TOTAL ASSETS</b>	<b>2,692,283</b>	<b>2,682,277</b>
	<b>CURRENT LIABILITIES</b>		
	Trade and other payables	145,283	201,791
	<b>TOTAL CURRENT LIABILITIES</b>	<b>145,283</b>	<b>201,791</b>
	<b>TOTAL LIABILITIES</b>	<b>145,283</b>	<b>201,791</b>
	<b>NET ASSETS</b>	<b>2,547,000</b>	<b>2,480,486</b>
	<b>EQUITY</b>		
	Issued capital	26,452,781	26,372,581
	Reserves	1,291,898	1,071,488
	Accumulated losses	(25,197,678)	(24,963,583)
	Total equity attributed to owners of the parent	2,547,000	2,480,486
	<b>TOTAL EQUITY</b>	<b>2,547,000</b>	<b>2,480,486</b>

The consolidated statement of financial position is to be read in conjunction with the notes to the consolidated interim financial report.

## Consolidated statement of changes in equity

### For the Period ended 31 December 2023

	Note	Issued Capital \$	Accumulated losses \$	Share Option Reserve \$	Total \$
<b>Balance at 1 July 2022</b>		25,672,581	(23,459,987)	1,060,263	3,272,857
<i>Comprehensive income</i>		-	-	-	-
Profit/(loss) for the period		-	(793,345)	11,225	(782,120)
<b>Total comprehensive income for the period</b>		-	(793,345)	11,225	(782,120)
<i>Total transactions with owners, in their capacity as owners, and other transactions</i>					
Share based payments		-	-	-	-
Unlisted options issued to sophisticated investor on 20 August 2021		-	-	-	-
Total transactions with owners and other transactions		-	-	-	-
<b>Balance at 31 December 2022</b>		25,672,581	(24,253,332)	1,071,488	2,490,737
<b>Balance at 1 July 2023</b>		26,372,581	(24,963,583)	1,071,488	2,480,486
<i>Comprehensive income</i>					
Other comprehensive income		-	-	-	-
Profit/(loss) for the year		-	(234,096)	-	(234,096)
<b>Total comprehensive income for the period</b>		-	(234,096)	-	(234,096)
Shares issued to sophisticated investors 4 September 2023, net of transaction costs		75,200	-	-	75,200
Conversion of unlisted options 20 October 2023		5,000	-	-	5,000
Share-based payments		-	-	220,410	300,610
Total transactions with owners and other transactions		80,200	-	220,410	300,610
Total equity of parent at 31 December 2023		26,452,781	(25,197,678)	1,291,898	2,547,000

The consolidated statement of changes in equity is to be read in conjunction with the notes to the consolidated interim financial report.

## Consolidated statement of cash flows

### For the Period ended 31 December 2023

	Consolidated Group	
	31 December 2023 \$	31 December 2022 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(548,911)	(600,172)
Receipts Tax Incentives	268,314	-
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(280,597)</b>	<b>(600,172)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loan made to joint venture entity	(430,705)	(420,975)
Loan repayments from joint venture entity	367,408	-
Payments for property, plant and equipment	(4,829)	(15,447)
<b>NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES</b>	<b>(58,468)</b>	<b>(436,422)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares and options	85,000	150,000
Transaction costs from issue shares and options	(4,800)	-
Proceeds from R&D borrowings	163,897	-
Interest on R&D borrowings	(5,039)	-
<b>NET CASH PROVIDED BY FINANCING ACTIVITIES</b>	<b>239,058</b>	<b>150,000</b>
Net (decrease)/increase in cash and cash equivalents	(100,006)	(886,594)
Cash at the beginning of the financial period	425,003	1,376,268
<b>CASH AT THE END OF THE FINANCIAL PERIOD (*)</b>	<b>324,997</b>	<b>489,674</b>

(\*) Cash includes a restricted balance of \$224,748 held in Papyrus Manufacturing Pty Ltd, a wholly owned subsidiary of the Group in Egypt (2022: nil)

The consolidated statement of cash flows is to be read in conjunction with the notes to the consolidated interim financial report.

## Notes to the Financial Statements

For the Period ended 31 December 2023

### 1. Nature of operations

Papyrus Australia Ltd's principal activities is to continue its commercialisation strategy of being a technology licensing Group assisting suitable entities to establish banana veneering and panel production factories in locations worldwide where bananas are grown.

### 2. General information and basis of preparation

The consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2023 and are presented in Australian dollars (\$), which is the functional currency of the parent company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2023 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001. The Company is a for-profit entity for the purposes of preparing its financial statements.

#### Going Concern

The financial statements have been prepared on the going concern basis, which contemplates continuity of normal business activities and the realisation of assets and discharge of liabilities in the normal course of business.

As presented in the financial statements, the Group incurred a loss of \$181,250 and had net cash outflows from operating activities of \$280,597 for the half year ended 31 December 2023. The Directors believe it is reasonably foreseeable that the Group will continue as a going concern and that it is appropriate to adopt the going concern basis in the preparation of the financial report considering the following factors;

- the ability of the Group to raise additional capital either through an additional placement and/or the exercise of options;
- the expected repayment of amounts loaned to Papyrus Egypt;
- access to additional funding through the Group's agreement with Talisker to support operations;
- potential cash flows from PPYEg resulting from the revenue generated from the sale of fibre to the Egyptian Government project and the offtake contact income for the sale of output generated by Egyptian Government project.

However, there remains a material uncertainty which may cast significant doubt as to whether the Group will continue as a going concern, and therefore it may be unable to realise its assets and discharge its liabilities in the normal course of business and at the amounts stated in the financial report. The financial report does not include any adjustments relating to the amounts or classification of recorded assets or liabilities that might be necessary if the entity does not continue as a going concern.

The interim financial statements have been approved and authorised for issue by the board of directors on 29 February 2024.

## Notes to the Financial Statements (cont.)

For the Period ended 31 December 2023

### 3. Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2022.

#### (a) Investment in associate and joint venture

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operational policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint agreement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investment in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of the net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The Statement of profit or loss reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains or losses resulting from transactions between the Group and associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of the profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss outside operating profit and represents profit or loss after tax and non-controlling interest in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring to account policies in line with those of the Group.

## Notes to the Financial Statements (cont.)

For the Period ended 31 December 2023

### 4. Estimates

When preparing the interim financial statements, management undertakes a number of judgements, estimates and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management, and will seldom equal the estimated results.

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2023 annual report

### 5. Operating segments

The directors have considered the requirements of AASB 8 Operating Segments and the internal reports that are reviewed by the chief operating decision maker (the Board) in allocating resources and have concluded at this time that there are no separately identifiable segments.

The Group remains focused on the research, development, and commercialisation of the Group's Banana Ply Paper (BPP) technology globally.

### 6. Trade and other receivables

		Consolidated Group	
		31 December 2023 \$	30 June 2023 \$
CURRENT			
Trade debtor		100	-
Other receivables	6(a)	1,342,807	1,551,035
GST recoverable		16,363	8,036
Total		1,359,270	1,559,071

6(a) Other Receivables represents amounts receivable from Papyrus Egypt. The balance is interest free and repayable on demand. The balance has been carried at amortised cost with difference between the face value of the loan on initial recognition and transaction price is recognised directly to investments accounted for using the equity method to the extent of the Group's share of \$121,049 for this half year and profit or loss for the remaining. No expected credit losses have been recognised for this receivable (2022: nil).

## Notes to the Financial Statements (cont.)

For the Period ended 31 December 2023

### 7. Investments

	<b>Consolidated Group</b>	
	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
Investment accounted for using the equity method	973,147	689,856
	973,147	689,856

#### Investments accounted for using the equity method

Name	Classification	Place of Business/ Incorporation	Proportion of Ordinary Share Interests/ Participating Shares		Measurement Method	Carrying amount	
			31 December 2023	30 June 2023		31 December 2023	30 June 2023
Egyptian Banana Fibre Company	Associate	Sohag, Egypt	39.22%	39.22%	Equity method		689,856
Papyrus Egypt	Joint Venture	Sohag, Egypt	50%	50%	Equity method	973,147	

Egypt is a joint arrangement that is structured as an incorporated entity (company) with two principal shareholders, Papyrus Australia Limited and Egyptian Banana Fibre Company (EBFC). The primary purpose of the company is to operate the factory in Sohag, Egypt with Papyrus technology and explore Egypt and the Middle East market. The Group's intention is to acquire further shareholdings in Egyptian Banana Fibre Company to gain control over Papyrus Egypt. The Group has 50% economic interest in Papyrus Egypt and 50% of the voting rights in relation to the joint venture. The Group has a further indirect interest of 19.61% in Papyrus Egypt through its 39.22% interest in EBFC.

The Group had joint control in relation to Papyrus Egypt with the other party sharing the joint control being Egyptian Banana Fibre Company. As a result, Papyrus Egypt has been accounted for using the equity method in accordance with AASB 128 Investment in Associates and Joint Ventures rather than the acquisition method under AASB 3 Business Combinations.

During the half year ended 31 December 2023, the Group recognised a profit of \$162,242, with regard to its net share of profit in the joint venture company (31 December 2022 a loss of \$156,857).

### 8. Other liabilities

	<b>Consolidated Group</b>	
	<b>31 December 2023</b>	<b>30 June 2023</b>
	<b>\$</b>	<b>\$</b>
<b>Current</b>		
Payables	145,283	201,791
Total non-current other liabilities	145,283	201,791

## Notes to the Financial Statements (cont.)

### For the Period ended 31 December 2023

#### 9. Share capital

492,692,593 fully paid ordinary shares  
(30 June 2023: 489,367,593)

Consolidated Group	
31 December 2023	30 June 2023
\$	\$
26,452,781	26,372,581
<b>26,452,781</b>	<b>26,372,581</b>

#### Ordinary shares

Balance at beginning of period (1 July 2023)  
Balance at end of period (31 December 2023)

2023	
Number	\$
489,367,593	26,372,581
<b>492,692,593</b>	<b>26,452,781</b>

#### 10. Reserves

##### Reserve

Balance at 1 July 2023  
Share based payments  
Options issued to sophisticated investor  
Balance at end of financial period

31 December 2023
\$
1,071,488
220,410
-
<b>1,291,898</b>

This reserve is used to record share-based payments which records the value of equity benefits provided to employees and directors as part of their remuneration and options issued to shareholders in their capacity as shareholders.

#### 11. Subsequent events

There are no subsequent events.

#### 12. Contingent liabilities and commitments

There are no contingent liabilities.

## **Directors Declaration**

### **For the Period ended 31 December 2023**

In the opinion of the directors of Papyrus Australia Ltd:

- (a) the consolidated financial statements and notes of Papyrus Australia Ltd are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of its financial position as at 31 December 2023 and of its performance for the half-year ended on that date; and
  - (ii) comply with Accounting Standard AASB 134 *Interim Financial Reporting*; 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.

On behalf of the Board



Mr Edward Byrt  
Chairman  
29 February 2024

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PYPYRUS AUSTRALIA LTD

### Report on the Half-Year Financial Report

#### Conclusion

We have reviewed the half-year financial report of Papyrus Australia Ltd (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 31 December 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 half-year ended on that date, material account policy information and other explanatory information, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of the Group does not comply with the *Corporations Act 2001* including:

- i. Giving a true and fair view of the Group's financial position as at 31 December 2023 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company 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 the audit of the annual 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 the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating to going concern

We draw attention to Note 2 in the financial report which describes the events and/or conditions which give rise to the existence of a material uncertainty that may cast significant doubt about the Group's ability to continue as a going concern and therefore the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. Our conclusion is not modified in respect of this matter.

#### Responsibility of the directors for the financial report

The directors of the company are responsible for the preparation of the half-year 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 half-year financial report that is free from material misstatement, whether due to fraud or error.

#### Auditor's responsibility for the review of the financial report

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2023 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



BDO Audit Pty Ltd



Linh Dao  
Director

Adelaide, 29 February 2024