

Appendix 4D Requirements

Results for announcement to the market

	31 December 2022 \$A	31 December 2021 \$A		Percentage change
Revenues from ordinary activities	-	-	-	-
Profit / (loss) from ordinary activities after tax attributable to the members	(793,345)	(518,719)	down	53%
Profit / (loss) for the period attributable to members	(793,345)	(518,719)	down	53%

Dividends (distributions)

No dividend has been paid during the period ended 31 December 2022

The directors have not proposed a dividend for the period ended 31 December 2022

Net Tangible Assets Per Security - cents	\$ 0.005	\$ 0.008
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Papyrus Australia Ltd

ABN 63 110 868 409

Half Year Report

for the half year ended 31 December 2022

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Directors' Report

For the Period ended 31 December 2022

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 2022.

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 Ramy Azer, Managing Director
Mr Vincent Rigano, Non-Executive Director
Mr David Attias, Non-Executive Director
Mr Pascal Gouel Executive Director (appointed 29 July 2022)
Ms Kerry Chikarovski, Executive Director (resigned 25 November 2022)

Review of Operations

Highlights

- The first contract for Papyrus is signed with the Egyptian Government.
- Business and technology presentation to key African diplomats in Egypt.
- COP27 showcased Papyrus business, technology, and products.
- Production growth in the Sohag and Sharqiah factories in Egypt.
- Patents lodged in Australia.
- European Bank and Reconstruction and Development (EBRD) commercialization model funding.

Papyrus Australia Ltd

1. In the six months to 31 December 2022 the Company has focused on supporting the expansion of commercialisation activities of Papyrus Egypt ("PPYEg") and the operational activities for the manufacture of banana fibre and liquid organic fertiliser in Sohag, and food packaging products in Sharqiah.

Egyptian Government Contract Developments

2. As announced to the market in June 2022, Papyrus signed a Cooperation Protocol Roadmap with the Egyptian Government's National Authority for Military Production (MP) to supply Papyrus technology and IP, for the establishment of a national banana plantation waste retrieval and repurposing program throughout Egypt.
3. In August 2022, officials from the Ministry for Military Production and delegates from the European Bank for Reconstruction and Development were welcomed at the Sohag factory to inspect the technology and upgrades to the operations and production capacity.

Directors' Report (cont.)

For the Period ended 31 December 2022

Review of Operations (cont.)

4. The phase one contracts were signed with the Ministry in November 2022 and include the provision of a moulding line to produce banana fibre food packaging products at a MP facility in the North of Egypt, with fibre supplied by the Papyrus factory in Sohag. Once installation and commissioning are complete, the product offtake agreement will see Papyrus Egypt procure all moulded products to sell through established distribution networks in Egypt.
5. The equipment required for the MP contracts has been sourced, civil design work completed, contractors engaged, and site preparation is underway, for installation scheduled to commence in the for the first half of 2023. Support for project planning for installation and commissioning is in progress in Australia. The MP are planning the installation of a fibre/fertiliser processing line to follow.

Business Development

6. At the invitation of the Australian Ambassador to Egypt, Papyrus presented the commercialization model and technology platform to a chosen group of diplomats and representatives from Senegal, Côte d'Ivoire, Sudan, and Egypt in October 2022, along with selected investors and private companies.
7. These banana growing countries have all identified the biggest threats to their environments and have taken steps to address their commitments to reduce environmental degradation and work towards sustainable development. The adoption of the Papyrus technology to convert unutilized banana plantation waste into consumable products provides opportunities for these countries to utilise abundant waste materials, reduce plastic pollution and develop a circular economy whereby resource management, technical capability and economic incentives are combined to provide environmental benefits and social impact with local employment and associated small business opportunities.
8. Papyrus presented in the Green Zone at the UN Climate Change Conference (COP27) in Egypt in November 2022, showcasing the technology, products and the partnership and business model. Over the 12-day period, the Green Zone was attended by tens of thousands of people from various countries showing great interest in the Papyrus business, technology and products.
9. This exposure resulted in significant global enquiries and ongoing engagements with top tier banana growing organisations, investors, government, and business representatives, assessing the feasibility of the Papyrus technology and business model to utilize banana plantation waste for environmental, economic and social benefits and to address climate mitigation and sustainable development goals.

Directors' Report (cont.)

For the Period ended 31 December 2022

Review of Operations (cont.)

10. The Papyrus Egypt CEO Ms Heba Nayil received Silver in the 'She Goes Green' Awards at COP27, recognising the vital leadership of female entrepreneurs in sustainable private sector development, business and social impact, potential for scalability and innovative contributions to green growth. These awards seek to promote a climate change focus and recognise innovations and initiatives across Africa to reduce environmental risks, address ecological scarcity and sustainable natural resource management to improve human well-being and social equity – a model in practice at the Papyrus factories in Egypt led by Heba.

Papyrus Egypt

Operational Activities

11. The factory in Sohag has implemented upgrades with the addition of a new processing line, further refinements to the processing to increase capacity and a thorough review of operations and costs. Production capacity by December had achieved 12-15 ton/day utilising one shredder. A further shredder is planned for early 2023 and work on improved filtration systems will contribute to increasing capacity.
12. The Sohag factory engaged an engineer to assist with the expansion of the factory and to commence the extensive process of digital design of the production equipment. A new operations manager to assist with the two factories and a marketing manager to progress the sales of the fertiliser product, establish new markets and provide technical and agricultural customer advice were engaged.
13. The Sharqiah moulding factory has increased the hours of operation to meet the demand for the egg carton products as sales have remained strong.
14. A review of operations, cost of production, product suite and local markets, identified opportunities for higher yielding products such as cup holders, requiring additional moulding equipment for Sharqiah.
15. The Chair and two Directors travelled to Egypt in November 2022 to join the contract signing ceremony with the MP and to consolidate the partnership for ongoing projects between the Ministry and Papyrus. The Directors reviewed the operations and upgrades, the audit and local business developments at the Sohag factory and met the expanding team.
16. The Directors were welcomed by government dignitaries and local community leaders who identify the significant impact of the Papyrus Egypt enterprise on the community in Sohag and expressed appreciation for the economic and environmental impact and the sustainable local community benefits. This mutually beneficial relationship is a vital part of the Papyrus mission and goals and will provide impact measurements for the business model. Papyrus Australia will explore ways to further support these initiatives.

Directors' Report (cont.)

For the Period ended 31 December 2022

Review of Operations (cont.)

Patents

17. In October 2022, Papyrus Australia Ltd lodged the Australian patent application for the method and apparatus for producing a mouldable cellulosic fibrous material, to acquire broad-ranging international patent protection for this state of the art zero waste, dewatering and fibre production and registered the Trademark MUZA to cover its brand of fertilisers.

European Bank for Reconstruction and Development project funding

18. In July 2022 the European Bank for Reconstruction and Development (EBRD) committed to funding support for an independent consultant to develop a five-year business plan for the full commercialisation of the Papyrus Egypt production facility in Sohag Egypt.
19. The business plan focused on the existing productive Papyrus facility in Egypt, to provide the basis and platform for the future expansion of the technology and production facilities in the region. The comprehensive report was provided to Papyrus with the first round of recommendations for financial modelling and commercialisation measures being incorporation into business operations.

The Board of Directors

20. In July 2022 Pascal Gouel was appointed as Executive Director – International Business Development, bringing international commercial experience in the Middle East and Europe to facilitate the Company's strategic objectives to commercialise. Pascal was re-elected at the AGM.
21. The Company's Annual Report was published (ASX Announcement 21 October 2022). The Annual General Meeting was held on 23 November 2022 whereat the Chairman and Mr Gouel provided a briefing of the Company's operations and in particular progress in Egypt. (ASX Announcement 23 November 2022).
22. Following the AGM in November 2022, Ms Kerry Chikarovski resigned after 12 months as Executive Director in government and stakeholder relations, having contributed government knowledge to facilitate the Papyrus strategic objectives. Kerry's re-election was not carried at the AGM.
23. During the reporting period, 20,000,000 unlisted options exercisable at 10 cents per converted option were not converted and as the exercise period lapsed on 30 August 2022. the unlisted options were cancelled. A further 4,000,000 unlisted options exercisable at 10 cents per converted option were not converted and as the exercise period lapsed on 4 November 2022 the unlisted options were also cancelled.
24. 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 6 of this financial report and forms part of this Directors' report.

Directors' Report (cont.)
For the Period ended 31 December 2022

Signed in accordance with a resolution of the directors.

A handwritten signature in blue ink, appearing to read 'Edward Byrt', is displayed within a light blue rectangular box.

Mr Edward Byrt
Chairman
27 February 2023

DECLARATION OF INDEPENDENCE
BY ANDREW TICKLE
TO THE DIRECTORS OF PYPYRUS AUSTRALIA LTD

As lead auditor for the review of Papyrus Australia Ltd for the half-year ended 31 December 2022, 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.



Andrew Tickle
Director

BDO Audit Pty Ltd

Adelaide, 27 February 2023

Consolidated statement of profit or loss and other comprehensive income

For the Period ended 31 December 2022

	Note	Consolidated Group	
		31 December 2022 \$	31 December 2021 \$
Other income		-	14
Consultancy expense		(212,659)	(126,999)
Employee benefit expense		(193,070)	(60,586)
Share based payment expense		(11,275)	(71,409)
Insurance costs		(20,356)	-
Travel & accommodation		(45,296)	-
Other expenses		(153,832)	(160,683)
Share of net profit of associate and joint venture		(156,857)	(99,056)
Profit/(loss) before income tax benefit		(793,345)	(518,719)
Income tax expense		-	-
Profit/(loss) for the period		(793,345)	(518,719)
Other comprehensive income			-
Total comprehensive income for the year		(793,345)	(518,719)
Profit/(loss) attributable to the parent		(793,345)	(518,719)
Profit/(loss) attributable to non-controlling interest		-	-
Profit/(loss) for the period		(793,345)	(518,719)
Total comprehensive income attributable to the parent		(793,345)	(518,719)
Total comprehensive income attributable to non-controlling interest		-	-
Total comprehensive income for the year		(793,345)	(518,719)
Earnings per share:		<i>Cents</i>	<i>Cents</i>
Basic earnings per share		(0.17)	(0.12)
Diluted earnings per share		(0.17)	(0.12)

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 2022

		Consolidated Group	
		31 December 2022	30 June 2022
		\$	\$
Note			
	CURRENT ASSETS		
	Cash and cash equivalents	489,674	1,376,268
	Trade and other receivables	1,460,599	1,045,373
	Prepayment	23,052	-
	TOTAL CURRENT ASSETS	1,973,325	2,421,641
	NON-CURRENT ASSETS		
	Property, plant & equipment	18,356	2,960
	Investments accounted for using the equity method	895,385	1,052,242
	TOTAL NON-CURRENT ASSETS	913,741	1,055,202
	TOTAL ASSETS	2,887,066	3,476,843
	CURRENT LIABILITIES		
	Trade and other payables	396,329	203,984
	TOTAL CURRENT LIABILITIES	396,329	203,984
	TOTAL LIABILITIES	396,329	203,984
	NET ASSETS	2,490,737	3,272,859
	EQUITY		
	Issued capital	25,672,581	25,672,581
	Reserves	1,071,488	1,060,263
	Accumulated losses	(24,253,332)	(23,459,985)
	Total equity attributed to owners of the parent	2,490,737	3,272,859
	TOTAL EQUITY	2,490,737	3,272,859

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 2022

	Note	Issued Capital \$	Accumulated losses \$	Share Option Reserve \$	Total \$
Balance at 1 July 2021		25,032,581	(22,283,214)	952,578	3,701,945
<i>Comprehensive income</i>		-	-	-	-
Profit/(loss) for the period		-	(518,719)	-	(518,719)
Total comprehensive income for the period		-	(518,719)	-	(518,719)
<i>Total transactions with owners, in their capacity as owners, and other transactions</i>					
Share based payments				71,409	71,409
Unlisted options issued to sophisticated investor on 20 August 2021		-	-	10,000	10,000
Total transactions with owners and other transactions		-	-	81,409	81,409
Balance at 31 December 2021		25,032,581	(22,801,933)	1,033,987	3,264,635
Balance at 1 July 2022		25,672,581	(23,459,987)	1,060,263	3,272,857
<i>Comprehensive income</i>					
Other comprehensive income		-	-	-	-
Profit/(loss) for the year		-	(793,345)	11,225	(782,120)
Total comprehensive income for the period		-	(793,345)	11,225	(782,120)
Shares to be issued to sophisticated investors		-	-	-	-
Share based payment		-	-	-	-
Total transactions with owners and other transactions		-	-	-	-
Total equity of parent at 31 December 2022		25,672,581	(24,253,332)	1,071,488	2,490,737

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 2022

	Consolidated Group	
	31 December 2022 \$	31 December 2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Payments to suppliers and employees	(600,172)	(366,490)
NET CASH USED IN OPERATING ACTIVITIES	(600,172)	(366,490)
CASH FLOWS FROM INVESTING ACTIVITIES		
Loan made to joint venture entity	(420,975)	(275,561)
Payments for property, plant and equipment	(15,447)	-
NET CASH PROVIDED BY INVESTING ACTIVITIES	(436,422)	(275,461)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advance received in relation to future share issue	150,000	-
Proceeds from issue of shares and options	-	10,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	150,000	10,000
Net (decrease)/increase in cash and cash equivalents	(886,594)	(632,051)
Cash at the beginning of the financial period	1,376,268	2,071,640
CASH AT THE END OF THE FINANCIAL PERIOD	489,674	1,439,589

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 2021

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 2022 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 2022 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 before comprehensive income of \$793,345 and had net cash outflows from operating activities of \$600,172 as at 31 December 2022.

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 Papyrus Egypt 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 whether it will realise its assets and extinguish 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 27 February 2022.

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.

Notes to the Financial Statements (cont.)

For the Period ended 31 December 2022

3. Significant accounting policies (continued)

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

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.

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 2022 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.

Notes to the Financial Statements (cont.)

For the Period ended 31 December 2022

6. Trade and other receivables

		Consolidated Group	
		31 December 2022	30 June 2022
		\$	\$
<hr/>			
CURRENT			
Other receivables	6(a)	1,453,405	1,039,623
GST recoverable		7,194	5,750
Total		1,460,599	1,045,373
		1,460,599	1,045,373

6(a) Other Receivables represents amounts receivable from Papyrus Egypt. The balance is interest free and repayable on demand.

Included in Other Receivables is an amount of \$103,150 paid as a deposit for the equipment to be installed under the Egyptian Government (“EG” contract that was executed by PPYEg. This amount is to be repaid once EG pays PPYEg the contract value once the machinery lands in Egypt. Also included in the balance is an amount of \$230,209 provided to PPYEg for a deposit in relation to a piece of land adjacent to existing PPYEg factory.

7. Investments

		Consolidated Group	
		31 December 2022	30 June 2022
		\$	\$
<hr/>			
Investment accounted for using the equity method		895,385	1,052,242
		895,385	1,052,242

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 2022	30 June 2022		31 December 2022	30 June 2022
Egyptian Banana Fibre Company	Associate	Sohag, Egypt	39.22%	39.22%	Equity method	895,385	1,052,242
Papyrus Egypt	Joint Venture	Sohag, Egypt	50%	50%	Equity method		

Notes to the Financial Statements (cont.)

For the Period ended 31 December 2022

7. Investments (Continued)

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 2022, the Group recognised a loss of \$156,857 with regard to its net share of losses in the joint venture company (31 December 2021 a loss of \$99,056).

Notes to the Financial Statements (cont.)

For the Period ended 31 December 2022

8. Other liabilities

	Consolidated Group	
	31 December 2022 \$	30 June 2022 \$
Current		
Payables	396,329	203,984
Total non-current other liabilities	396,329	203,984

9. Share capital

	Consolidated Group	
	31 December 2022 \$	30 June 2022 \$
469,627,333 fully paid ordinary shares (30 June 2022: 469,627,333)	25,672,581	25,672,581
	25,672,581	25,672,581

	2022	
	Number	\$
Ordinary shares		
Balance at beginning of period (1 July 2022)	469,627,333	25,672,581
Balance at end of period (31 December 2022)	469,627,333	25,672,581

10. Reserves

	31 December 2022 \$
Reserve	
Balance at 1 July 2022	1,060,263
Share based payments	11,225
Options issued to sophisticated investor	-
Balance at end of financial period	1,071,488

Notes to the Financial Statements (cont.)

For the Period ended 31 December 2021

11. Reserves (continued)

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.

12. Subsequent events

On 5 January 2023 the Company completed a small capital raise to sophisticated investors of \$300,000 of this amount, \$150,000 had been received prior to 31 December 2022 with the balance been received in early January 2023. This resulted in the issue of 5,454,546 shares at a price of 5.5 cents per fully paid share, plus 2,727,273 unlisted options exercisable at 6 cents per share with an expiry date of 12 months from the date of issue. The shares and unlisted options referred to in this paragraph were not issued until the capital raise had been completed in early January 2023.

On 18 January 2023 the Company held an Extraordinary General Meeting that had been requested by shareholders under S249 of the Corporations Act 2001 (as amended) requesting the removal of two directors (namely Mr. Edward Byrt and Mr. Vince Rigano). The two resolutions were considered by shareholders, where the majority voted against the resolutions.

13. Contingent liabilities and commitments

There are no contingent liabilities.

Directors Declaration

For the Period ended 31 December 2022

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 2022 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
27 February 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF POPYRUS 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 2022, 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, a summary of significant accounting policies 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 2022 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 2022 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.

A handwritten signature in blue ink that reads 'BDO'.

BDO Audit Pty Ltd

A handwritten signature in blue ink that reads 'Andrew Tickle'.

Andrew Tickle

Director

Adelaide, 27 February 2023