



AUSTRALIA
Papyrus PTY LTD

Papyrus Australia
Annual Report 2024

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Corporate Information



A U S T R A L I A
Papyrus LTD

Papyrus Australia Ltd

ABN 63 110 868 409

This annual report covers Papyrus Australia Ltd (ABN 63 110 868 409), and its subsidiaries (the consolidated group or 'Group'). The Group's functional and presentation currency is Australian dollars.

A description of the Group's operations and of its principal activities is included in the review of operations and activities in the directors' report on pages 11 to 19. The directors' report is not part of the financial report.

Directors

Mr Al Jawhari (Executive Chairman)
(appointed Director 4 June 2024)

Mr Edward Byrt
(Non-Executive Director)

Mr David Attias
(Non-Executive Director)

Mr Pascal Gouel
(Executive Director)
(retired 30 June 2024)

Mr Vincent Peter Rigano
(Non-Executive Director)

Company Secretary

Mr Vincent Peter Rigano

Registered Office

C/- V P Rigano & Co Pty Ltd
Level 2, 2 Peel Street
ADELAIDE SA 5000

Principal place of business

C/- V P Rigano & Co Pty Ltd
Level 2, 2 Peel Street
ADELAIDE SA 5000

Share Registry

Computershare Investor Services Pty Ltd
Level 5, 115 Grenfell Street
ADELAIDE SA 5000

Auditors

BDO Audit Pty Ltd
Level 7, BDO Centre
420 King William Street
ADELAIDE SA 5000

Letter from the Chairman

Dear Shareholders

On behalf of Papyrus Australia's Board of Directors and Management, I am pleased to present our Annual Report for the financial year ending 30 June 2024 (FY24).

Papyrus recognises that the sovereignty of Aboriginal and Torres Strait Islander peoples over their land was never ceded, and the impact of this ongoing dispossession continues to this day. Our diverse team in Australia work in different locations on traditional lands and we recognise the traditional custodians of these lands and their continuing connection to lands and waters. We pay our respects to all Aboriginal and Torres Strait Islander Elders past, present and emerging future leaders.

New horizons for the Board

FY24 marked a significant turning point for Papyrus Australia with the commercialization of our technology and the tangible development of strategic partnerships that provide the forward year opportunities to expand our global footprint.

In late June, I was appointed to the Papyrus Board as Executive Director to lead international projects. In July I was elected to Chair the Papyrus Board following the retirement of Mr Edward Byrt, who remains as a non-executive director. Ted was appointed as Chair in 2009 and worked tirelessly through to the end of FY24. He led the Company through financial and political challenges, transition to Egypt, establishing Papyrus Egypt and the development of the PPY intellectual property.

I stepped into the role as Chair to lead Papyrus in the next phase of commercialisation and to move the organisation towards its goal of a growing a global waste management supply chain across the key banana growing regions of Africa, Asia Pacific and Latin America. This is an extremely exciting time for Papyrus with the commencement of its initial technology rollout through our joint venture entity Papyrus Egypt and the development of an improved technology platform that Papyrus Australia will use in the commercialisation activity outside of Egypt. I am committed to fostering ongoing innovation, building operational capability, and delivering exceptional value to our customers and stakeholders.

It is a privilege to join the extremely dedicated, hard-working directors on the Papyrus Board who remain unremunerated, yet committed to commercialising the Papyrus Technology and delivering value to shareholders.

I extend my grateful appreciation to Mr Pascal Gouel who retired from the Papyrus Board in June. Pascal helped to shape the framework of the Papyrus commercialisation strategy for our business model.

Sustainability commitment

Papyrus continues to work closely with potential production partners to establish production operations with its improved phase 2 technology platform in Asia and Latin America. Papyrus is committed to connecting growers, producers and packaging distributors and building the banana fibre products supply chain.

The establishment of the first contracted facility in Egypt this year, has highlighted the additional opportunities that the Papyrus model can offer in customised facilities and local manufacturing. This substantiates the longer term economic, environmental and social benefits that we model for future partners.

We are confident with significant projects in the pipeline that our growth ambitions will materialise to utilise more banana plantation waste to produce sustainable packaging products in other banana growing regions.

In seeking to expand the value to stakeholders, Papyrus has invested in developing certification of carbon reductions generated from the use of Papyrus technology. The carbon market is an area of significant growth globally and will form a cornerstone of the technology service offering and value proposition to production partners and supply chain partners. We are also in the process of expanding the range of products that can be produced from the phase 2 technology which will further improve the value to our technology customers and supply chain partners.

I extend my heartfelt gratitude to our shareholders, investors, management team and directors, who remain committed to Papyrus, as without your ongoing support for our pipeline projects, our work would not be possible.

I am strongly encouraged by the opportunities in front of us and I look forward to a very productive year ahead, as we meet the challenges that come with a new technology venture.

Mr Al Jawhari
Chair
Papyrus Australia

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Company Overview

Papyrus Australia is able to convert banana plantation waste, using mechanical processes, to produce cost competitive commercial quantities of banana fibre pulp and food packaging products.



Board & Management

Papyrus benefits from a strong Board and Executive team, with significant global experience in commercialisation, technology, R&D, compliance, investment and operations.



Manufacturing Facilities

Papyrus technology has been deployed in two commercial scale facilities in Egypt including a processing plant converting banana waste into a raw fibre and organic liquid and a separate facility converting the raw fibre into pulp and food packaging products using fibre moulding machines.



Technology & Intellectual Property

Our patents protect innovative processes, methodologies and equipment that Papyrus has developed to efficiently convert banana plantation waste into high quality consumable products.

- Two patents granted
- Two patents pending



Research & Development

We conduct ongoing R&D to continually innovate the conversion process with the objective of developing new products, enhanced processes, more efficient equipment and wider applications for the banana fibre.

Our Purpose

Seeking a sustainable, eco-friendly response to growing environmental uncertainty, we have developed our technology to directly address the negative impacts of emissions from decaying agri-waste, deforestation and plastic pollution.



Vision

Be the global technology leader for the conversion of banana plantation waste into consumable products.



Mission

Replace plastic and forest sourced food packaging products with a 100% biodegradable, renewable, circular economy product.



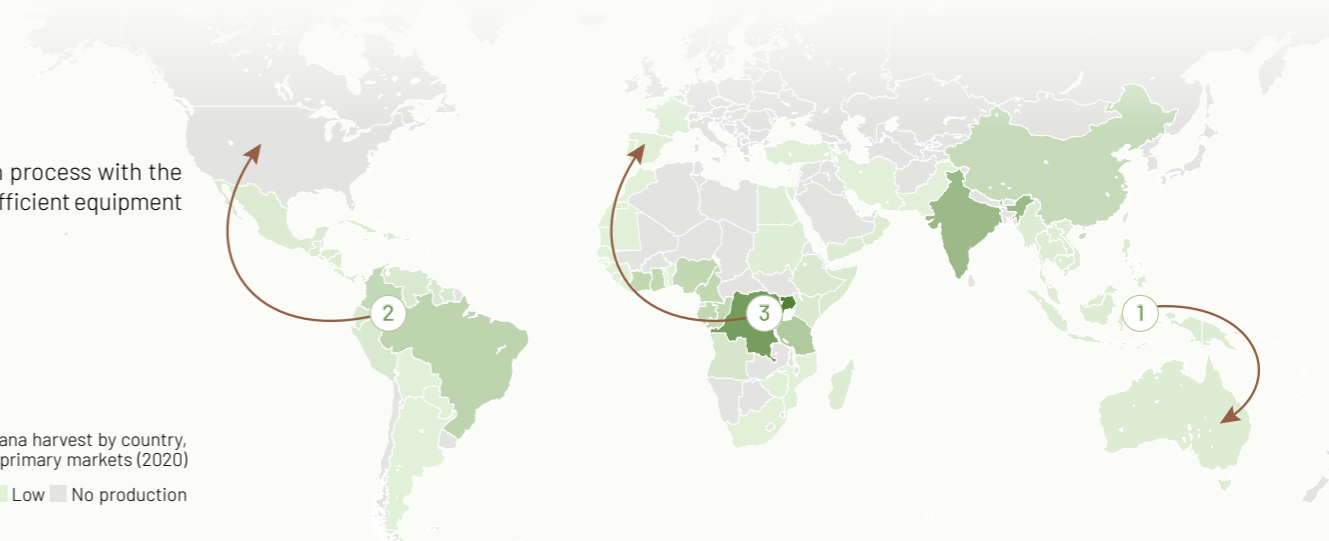
Goals

Engage banana growers, packaging manufacturers and other stakeholders in global commercialisation of the technology.

Create a global waste management supply chain across the key banana growing regions of Africa, Asia-Pacific and Latin America.

Banana harvest by country, arrows indicate primary markets (2020)

■ Highest ■ Mid ■ Low ■ No production



Our Environmental Impact

The Papyrus technology alleviates two key environmental and sustainability issues.

1 Reducing Greenhouse emissions

Banana plantation waste such as trunks, stalks and leaves emit considerable methane gases when they are left to decompose.

Global banana farm practices leave the cut down trunks and waste to decompose on the land, which can end up contaminating waterways and public infrastructure.

Papyrus processes the banana plantation waste so that they no longer decompose.

2 Replacing plastics used in food packaging

Plastic food packaging causes serious environmental and health issues, with PVC, PET, Polypropylene the most common feedstocks.

The trend is for fibre mould manufacturers to use natural feedstock such as bagasse and wood pulp, made from sugar cane and trees, however they can be expensive and energy intensive.

Papyrus technology replaces plastics and other natural feedstock in fibre moulding lines with low energy virgin banana pulp, producing a high-quality food packaging products.

Transforming abundant banana plantation waste into high-demand fibre products prevents methane emissions, reduces waterway contamination, and turns a plentiful byproduct of banana production into a valuable product in its own right.

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Corporate Governance Statement 30 June 2024

Introduction

Papyrus Australia Limited (the Company) and the Board are committed to achieving and demonstrating the highest standards of corporate governance. The Board continues to review the framework and practices to ensure they meet the interests of shareholders. The Company and its controlled entities together are referred to as the Group in this statement.

The Group details below the corporate governance practices in place at the end of the financial year, all of which comply with the principles and recommendations of the ASX corporate governance council unless otherwise stated. Some of the charters and policies that form the basis of the corporate governance practices of the Group may be located on the Group's website, www.papyrusaustralia.com.au

On 27 February 2019, the ASX Corporate Governance Council released the 4th Edition of its Corporate Governance Principles and Recommendations (4th Edition Recommendations). The Group reviewed its corporate governance and reporting practices under these principles and the disclosures in this Corporate Governance Statement reflect this. As at the date of this statement, the Group complies with the 4th Edition Recommendations (unless otherwise stated).

Principle 1: Lay solid foundations for management and oversight

The relationship between the Board and senior management is critical to the Group's long-term success. The Directors are responsible to the shareholders for the performance of the group in both the short and the longer term and seek to balance objectives in the best interests of the group as a whole. Their focus is to enhance the interests of shareholders and other key stakeholders and to ensure the Group is properly managed.

The responsibilities of the Board include:

- providing strategic guidance to the Group including contributing to the development of and approving the corporate strategy;
- reviewing and approving business plans, the annual budget and financial plans including available resources and major capital expenditure initiatives;
- overseeing and monitoring the organisational performance and the achievement of the Group's strategic goals and objectives;
- monitoring financial performance including approval of the annual and half-year financial reports and liaison with the Company's auditors;
- appointment and performance assessment of the Chief Executive Officer (CEO);
- ratifying the appointment and/or removal and contributing to the performance assessment for the members of the senior management team, including the Company Secretary;

- ensuring there are effective management processes in place and approving major corporate initiatives;
- enhancing and protecting the reputation of the organisation;
- overseeing the operation of the Group's system for compliance and risk management reporting to shareholders; and
- ensuring appropriate resources are available to senior management.

The Board has established a Board Charter, which will be published on our website in the coming months.

The Board is presently responsible for evaluating Board candidates and recommending individuals for appointment to the Board. The Board evaluates prospective candidates against a range of criteria including the skills, experience, expertise and diversity that will best complement Board effectiveness at the time. The Board undertakes appropriate background and screening checks prior to nominating a director for election by shareholders, and provides to shareholders all material information in its possession concerning the director standing for election or re-election in the explanatory notes accompanying the notice of meeting.

A written agreement has not been executed with each director setting out the terms of their appointment; therefore, the Group does not comply with recommendation 1.3 of the Corporate Governance Principles and Recommendations. The Company believes that due to the size and nature of operations that this is acceptable.

The Company Secretary is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. The Company Secretary is responsible for maintaining the information systems and processes that are appropriate for the Board to fulfill its role and to achieve the objective of the Company. The Company Secretary is also responsible for ensuring that the Board procedures are complied with and advising the Board on governance matters. All Directors and Committees have access to the Company Secretary for advice and services. Independent advisory services are retained by the Company Secretary at the request of the Board or Committees.

The total proportion of men and women on the board, in senior positions (being Key Management Personal and decision makers of the Company) and across the whole organisation is listed below:

Category	Men	Women
Board	4	-
Senior Management	1	-
Whole Organisation	5	-

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Corporate Governance Statement (cont.)

The Group has not disclosed in this Corporate Governance Statement its measurable objectives for achieving gender diversity and therefore, has not complied with recommendation 1.5(a) of the Corporate Governance Principles and Recommendations. Due to the size of the Company and its number of employees, the Board does not consider it appropriate, at this time, to formally set measurable objectives for gender diversity.

The Board continually evaluates the composition of the Board, however a formal evaluation of its performance and the performance of its committees and individual directors is yet to be conducted. Due to the size of the Company, the Board has determined that this is appropriate at Company's stage to date, however it does recognise that ongoing performance evaluation is important to ensure that the Board, committees and individual directors remain relevant and committed to the Company's business operations and changing business requirements. At the date of this report, the Company has not complied with recommendation 1.6(b) of the Corporate Governance Principles and Recommendations.

The Group currently has two senior executives and has no formal process for evaluating the performance of its senior executives.

Principle 2: Structure the board to add value

The Board has not established a nomination committee, and thus not complied with recommendation 2.1(a) of the Corporate Governance Principles and Recommendations. The Directors takes ultimate responsibility in addressing board succession issues and to ensure the Board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively. The Board closely assesses diversity criteria when considering Board candidates.

The Group's desired mix of skills and competence is listed below. The Board considers its current composition adequately meets these required competencies.

Area	Competence
Leadership	Business Leadership, Public Listed Company experience
Business, Finance and Legal	Accounting, Audit, Business Strategy, Competitive Business Analysis, Corporate Financing, Financial Literacy, Legal, Mergers and Acquisitions, Risk Management, Tax - International
Sustainability and Stakeholder Management	Community Relations, Corporate Governance, Health & Safety, Human Resources, Remuneration
Engineering and Technical	Engineering qualifications

At the date of this statement the Board consists of the following directors:

Mr. Al Jawhari Executive Chairman, Mr. Edward Byrt, Non-Executive Director, Mr. David Attias Non-Executive Director, Mr Vincent Rigano, Non-Executive Director/Company Secretary.

The Board considers this to be an appropriate composition given the size and development of the Group at the present time and continually assesses the composition of the Board to ensure its membership maintains a combination of skills and experience that ensure the Board has the expertise to meet both its responsibilities to stakeholders and its strategic objectives. The names of directors including details of their qualifications and experience are set out in the Directors' Report of the Annual Report and also available on the Company's website: www.papyrusaustralia.com.au

Independence

The Board is conscious of the need for independence and ensures that where a conflict of interest may arise, the relevant Director(s) leave the meeting to ensure a full and frank discussion of the matter(s) under consideration by the rest of the Board. Those Directors who have interests in specific transactions or potential transactions do not receive Board papers related to those transactions or potential transactions, do not participate in any part of a directors' meeting which considers those transactions or potential transactions, are not involved in the decision-making process in respect of those transactions or potential transactions, and are asked not to discuss those transactions or potential transactions with other Directors.

Directors of the Company are considered to be independent when they are independent of management and free from any business or other relationship that could materially interfere with, or could reasonably be perceived to materially interfere with, the exercise of their unfettered and independent judgment.

The Board has accepted the following definition of an independent Director:

An independent director is a director who is not a member of management, is a Non-Executive Director and who:

- is not, or has not been, employed in an executive capacity by the Group and there has been a period of at least three years between ceasing such employment and serving on the Board;
- is not, or has not within the last three years been, a partner, director or senior employee of a provider of material professional services to the Group;
- is not, or has not within the last three years been, in a material business relationship (e.g., as a supplier or customer) with the Group, or an officer or, or otherwise associated with, someone with such a relationship;

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Corporate Governance Statement (cont.)

- is not a substantial security holder of the entity or an officer of, or otherwise associated with, a substantial security holder of the entity;
- does not have a material contractual relationship with the Group other than as a director; or
- has not been a director of the entity for such a period that his or her independence may have been compromised.

Mr. David Attias and Mr. Vincent Rigano are Non-Executive Directors and have no other material relationships with the Group other than their directorship. Mr. Rigano has some shareholding in the Group, he is not a substantial security holder. As such, the Group assesses that it has two independent directors during the year as those relationships are defined. Mr Edward Byrt who was the Chairman during the year, is not an independent director, due to his shareholding, but he did not fulfil the role of CEO.

The Board considers its current structure to be an appropriate composition of the required skills and experience, given the experience of the individual Directors and the size and development of the Company at the present time. Each individual member of the Board is satisfied that whilst the Company may not comply with Recommendation 2.4, all Directors bring an independent judgment to bear on Board decisions.

The Company's Executive Chairman, Mr. Al Jawhari is not an independent director, due to his Executive position, but he does not fulfil the role of CEO. The Company therefore has not complied with recommendation 2.5 of the Corporate Governance Principles and Recommendations. The Company believes this to be appropriate at this time given the size and nature of the Company's operations but will continue to consider the composition of the board in the future.

The Company does not maintain a formal program for inducting new Directors; however, the Company Secretary ensures all new directors receive adequate information and documentation on appointment. The Company also ensures that appropriate professional development opportunities are provided to directors to ensure they develop and maintain the skills and knowledge needed to perform their role as directors effectively.

Principle 3: Act lawfully, ethically and responsibly

The Company has developed a Code of conduct (the Code) which has been fully endorsed by the Board and applies to all directors and employees. The Code is regularly reviewed and updated as necessary to ensure it reflects the highest standards of behavior and professionalism and the practices necessary to maintain confidence in the group's integrity and to take into account legal obligations and reasonable expectations of the Company's stakeholders.

In summary, the Code requires that at all times all Company personnel act with the utmost integrity, objectivity and in compliance with the letter and the spirit of the law and company policies.

Principle 4: Safeguard integrity in corporate reporting

Audit Committee (the Committee)

The Committee consists of the following directors:

Mr Vincent Rigano (Committee Chair)(Non-Executive Director) Mr Edward Byrt (Non-Executive Director), Mr David Attias (Non- Executive Director), Mr. Al Jawhari (Executive Chairman)

Mr Vincent Rigano is an independent member as discussed above in Principle 2 and the Chair of the Committee. The chair of the Committee is not the chair of the Board; the independent members comprise the majority of the Committee.

The relevant qualifications and experience of each of the members of the Committee can be found in the director profiles contained within the Company's Annual Report and on the Company's website at: www.papyrusaustralia.com.au. All members of the Audit Committee are financially literate and have an appropriate understanding of the industries in which the group operates.

The number of times the Committee met throughout the period and the individual attendance of the members at those meetings are outlined within the Annual Report.

The Audit Committee has established a formal charter.

The Audit Committee has authority, within the scope of its responsibilities, to seek any information it requires from any employee or external party.

The CEO and Company Secretary have certified to the Board that the financial statements are founded on a sound system of risk management and internal control and that the system is operating efficiently and effectively in all material respects. This declaration is provided to the Board before it approves the Company's financial statements for a financial period, and declares that in their opinion, the financial records of the Company have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity.

External auditors

The Company and Board Policy is to appoint external auditors who clearly demonstrate quality and independence. The performance of the external auditor is reviewed annually and applications for tender of external audit services are requested as deemed appropriate, taking into consideration assessment of performance, existing value and tender costs. BDO Audit Pty Ltd ('BDO') was appointed as the external auditor at the Company's AGM in 2022. It is BDO's policy to rotate audit engagement partners on listed companies in accordance with the requirements of the Corporations Act 2001, which is generally after five years, subject to certain exceptions.

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The amount of fees paid to the external auditors is provided in a note to the financial statements. It is the policy of the external auditors to provide an annual declaration of their independence to the Committee.

The external auditor will attend the Annual General Meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the audit report.

Principle 5: Make timely and balanced disclosure

Continuous disclosure

The Company has a policy that all the Company Shareholders and investors have equal access to the Company's information. The Board will ensure that all price sensitive information is disclosed to the ASX in accordance with the continuous disclosure requirements of the Corporations Act and the ASX Listing Rules.

The Board strives to ensure that security holders are provided with sufficient information to assess the performance of the Group and its Directors and to make well-informed investment decisions. The Company provides all information about itself and its corporate governance via its website at: www.papyrusaustralia.com.au

Principle 6: Respect the rights of security holders

Investor relations and member participation

The Company has a formal shareholder communication policy which is in compliance with recommendation 6.2 of the Corporate Governance Principles and Recommendations.

Shareholders are encouraged to participate at all Annual General Meetings and other General Meetings of the Company. Upon the dispatch of any notice of meeting to Shareholders, the Company Secretary shall send out material with that notice of meeting stating that all Shareholders are encouraged to participate at the meeting. The meetings shall also be conducted to allow questions and feedback to the Board and management of the Company.

The Company aims to promote effective communication to and from shareholders. At this time Members of the Company cannot register to receive email notifications when an announcement is made by the Company to the ASX, which is a departure from recommendation 6.3 of the Corporate Governance Principles and Recommendations; however, Members are encouraged to contact the company via the website or directly to the registered office. Members are also encouraged to register with the Company's share register to communicate electronically.

Principle 7: Recognise and manage risk

The Board has identified the significant areas of potential business and legal risk of the Company.

The identification, monitoring and, where appropriate, the reduction of significant risk to the Company is the responsibility of the Board. The Board addresses Risk and Compliance within the Audit Committee which addresses the risks to the Company.

The Board will review and monitor the parameters under which such risks will be managed. Management accounts will be prepared and reviewed at Board meetings. Budgets will be prepared and compared against actual results.

The Board is responsible for satisfying itself annually, or more frequently as required, that management has developed and implemented a sound system of risk management and internal control, a review took place during the reporting period.

The Company does not have an internal audit function due to the size and nature of the Group, however the Audit Committee is responsible for ensuring there are adequate policies in relation to risk management, compliance and internal control systems. They monitor the Company's risk management by overseeing management's actions in the evaluation, management, monitoring and reporting of material operational, financial, compliance and strategic risks. In providing this oversight, the Audit Committee and the Board:

- reviews the framework and methodology for risk identification, the degree of risk the Company is willing to accept, the management of risk and the processes for auditing and evaluating the Company's risk management system;
- reviews group-wide objectives in the context of the abovementioned categories of corporate risk;
- reviews and, where necessary, approves guidelines and policies governing the identification, assessment and management of the Company's exposure to risk;
- reviews and approves the delegations of financial authorities and addresses any need to update these authorities on an annual basis, and
- reviews compliance with agreed policies.

The Committee recommends any actions it deems appropriate to the board for its consideration.

Management is responsible for designing, implementing and reporting on the adequacy of the Company's risk management and internal control system and has to report to the Board on the effectiveness of:

- the risk management and internal control system during the year, and
- the company's management of its material business risks.

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Corporate Governance Statement (cont.)

Securities Trading Policy

The Company has established a policy concerning trading in the Company's shares by the Company's officers, employees and contractors and consultants to the Company while engaged in work for the Company ("Representatives").

This policy provides that it is the responsibility of each Representative to ensure they do not breach the insider trading prohibition in the Corporations Act. Breaches of the insider trading prohibition will result in disciplinary action being taken by the Company. Representatives must also obtain written consent from the Chairman (or, in the case of the Chairman, from the Board) prior to trading in the Company's securities.

Subject to these restrictions, the policy provides that Directors, the Company Secretary and employees of, or contractors to, the Company that have access to the Company's financial information are permitted to trade in the Company's securities throughout the year except during the following periods:

- a) the period between the end of the March and September quarters and the release of the Company's quarterly report to ASX for so long as the Company is required by the Listing Rules to lodge quarterly reports;
- b) the period between the end of the June quarter and the release of the Company's annual report to ASX; and
- c) the period between the end of the December quarter and the release of the Company's half year report to ASX.

In exceptional circumstances the Board may waive the requirements of the Share Trading Policy to allow Representatives to trade in the shares of the Company, provided to do so would not be illegal.

Directors must advise the Company Secretary of changes to their shareholdings in the Company within two business days of the change.

The Securities Trading Policy can be viewed on the ASX announcements tab at www.asx.com.au.

Exposure to material economic, environmental and social sustainability risk

The Company's policy is to identify and manage potential or apparent business, economic, environmental and social sustainability risks (if appropriate). The Company at present has not identified specific material risk exposure in these categories. Review of the Company's risk management policy is conducted at least annually, and reports are continually created by management on the efficiency and effectiveness of the Company's risk management framework and associated internal compliance and control procedures.

Principle 8: Remunerate fairly and responsibly

The Chairman and the Directors are entitled to draw Directors fees and receive reimbursement of reasonable expenses for attendance at meetings. The Company is required to disclose in its Annual Report details of remuneration to Directors. The maximum aggregate annual remuneration which may be paid to Non-Executive Directors is \$300,000. This amount cannot be increased without Shareholder approval. The Papyrus Directors were not remunerated during this period.

The Board has not established a Remuneration Committee, as given the size of the Group and number of employees, it is not considered that this is required at this time. The Board therefore fulfils the duties of the committee.

Every employee of the Group signs a formal employment contract at the time of their appointment covering a range of matters including their duties, rights, responsibilities and any entitlements on termination.

Further information on directors' and executives' remuneration, including principles used to determine remuneration, is set out in the directors' report under the heading 'Remuneration report' included within the Annual Report. In accordance with Group policy, participants in equity-based remuneration plans are not permitted to enter into any transactions that would limit the economic risk of options or other unvested entitlements.

Directors' Report

The Directors present their report, together with the financial statements of the Group, being Papyrus Australia Ltd (the Group) and its controlled entities, for the financial year ended 30 June 2024.

DIRECTORS

The names and details of the company's directors in office during the financial year and until the date of this report are as follows.

Directors were in office for this entire period unless otherwise stated.

Mr. Al Jawhari (Executive Chairman)(appointed director 4 June 2024)

Mr. Edward Byrt (Non-Executive Director)

Mr. David Attias (Non-Executive Director)

Mr. Pascal Gouel (Executive Director)(retired 30 June 2024)

Mr. Vincent Peter Rigano (Non-Executive Director)

Al Jawhari, B.Eng (Aeronautical/Mechanical)(Executive Chairman)

Al is an innovator and technology commercialisation expert with 25+ years of C-level leadership experience. With 4 successful business exits Al is an internationally recognized business leader known for crafting the required strategic vision to achieve business goals offering a unique blend of leadership, innovation, executive acumen, global team building, and credited with strong ROI and operational excellence.

Al's experience spans through Defence, Advanced Manufacturing, Retail, Agriculture, Food and Wine, e-commerce and software platforms, development with successful ventures across the globe. He is Co-Founder and current Group CEO for Starke-Advanced Manufacturing Group, Vice President – Board Director & amp, South Australia Chair for Australia Arab Chamber of Commerce and Industry, Industry Advisory Member for Australian Institute of Business Advisory Board, Centre for Enterprise Dynamics in Global Economies in the University of South Australia.

Al is not (currently or in the previous 3 years) a director of any other listed companies.

Edward Byrt, LLB (Non-Executive Director)

Ted Byrt is a company director with over 40 years' experience in commerce, corporate governance and international business. He is a specialist strategic advisor for major development and infrastructure projects within Australia and offshore.

Ted is a business advisor and Board member of several leading organisations in South Australia. He was until March 2017 Presiding Member of the SA Development Assessment Commission,

he is Chairman of Wilpena Pound Resort, The Australian Advanced Manufacturing Centre Pty Ltd, Red Chip Photonics Pty Ltd and Arkwright Technologies Pty Ltd, he was until December 2017 a Director of Treyo Leisure & Entertainment Ltd (ASX listed) and he is a Board member of the Aboriginal Foundation of South Australia Inc. He is also a member of the Company's Audit Committee and has been a Director of the Company since 2004.

Ted is not (currently or in the previous 3 years) a director of any other listed companies.

David Attias, MBA Banking and Finance (Non-Executive Director)

Driven by business opportunity, David brings a solid financial, analytical and technological background to the Papyrus Team. David is a serial entrepreneur, having founded and successfully managed e-commerce and hospitality businesses. He is currently a director of L39 Capital, a Non-Executive Director of Creative Food Australia and Genius Austria and has held a prior funds management position in a Blockchain Technology Investment Fund. David's experience is ultimately a reflection of his passion for business, investments and portfolio management.

David is not (currently or in the previous 3 years) a director of any other listed companies.

Pascal Gouel, B.Ch.E., Master of Engineering management, MBA (Executive Director)(retired on 30 June 2024)

Pascal is an accomplished professional with over 25 years global experience in operations, top tier management consulting and investment management including 10 years spent working in the Middle East in Egypt, Kuwait, KSA and UAE. Pascal has worked for firms such as Booz Allen, Qantas, British American Tobacco as well as number of Family Offices out of Kuwait and Germany.

Recently, he was an Investment Committee member of an Industry Superannuation Fund, responsible for deal origination, due diligence and execution of various global private equity deals and has held several operational and investment roles in his career including Chief Investment Officer, General Manager, Director level roles and a number of operational roles within various industries and sectors.

Pascal is not (currently or in the previous 3 years) a director of any other listed companies.

Vincent Peter Rigano, BA Accounting, CPA (Non-Executive Director and Company Secretary)

Vince is a CPA with over 45 years' experience in corporate accounting, management consulting and company secretarial. Vince has been company secretary for a number of years for Papyrus.

Vince provides management accounting and consulting services to a variety of industry sectors including start-ups. He is also Chairman of the Company's Audit Committee.

Vince is not (currently or in the previous 3 years) a director of any other listed companies.

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PRINCIPAL ACTIVITIES AND SIGNIFICANT CHANGES IN NATURE OF ACTIVITIES

The Group's commercialisation strategy remains focused on developing partnerships with local organisations in banana growing regions, to establish banana processing facilities for the conversion of banana plantation waste into moulded food packaging products.

There have been no significant changes in the nature of those activities during the year.

OPERATING RESULTS

The loss of the consolidated group after providing for income tax amounted to \$644,060 (2023: \$1,503,598).

INTERESTS IN THE SHARES AND OPTIONS OF THE COMPANY AND RELATED BODIES CORPORATE

As at the date of this report, the interests of the directors in the shares and options of Papyrus Australia Ltd were:

	Number of Ordinary Shares		Number of options over Ordinary Shares
	Direct interest	Indirect interest	
Al Jawhari (appointed 4 June 2024)	-	-	-
Edward Byrt	25,799,471	140,000	-
David Attias	-	9,343,250	-
Pascal Gouel (retired 30 June 2024)	-	-	-
Vincent Peter Rigano	12,830,445	219,364	-

DIVIDENDS

No dividends have been paid or declared since the start of the financial year. No recommendation for payment of dividends has been made.

OPERATIONS REVIEW

The 2024 financial year has marked a period of substantial progress for Papyrus Australia Ltd (Papyrus) in commercialising our proprietary technology. We are pleased to share key milestones and highlights of our operations, particularly in Egypt, where significant advancements have been made by Papyrus Egypt. Our commitment to innovation, strategic partnerships, and sustainable development continues to drive our growth and success.

Key Highlights

- The first new banana fibre moulding line was installed and commissioned in Egypt
- Additional contracts for the supply of an integrated production line have been secured in Egypt
- Consolidation of Papyrus Egypt was approved by Papyrus shareholders
- Equipment manufacturing capability is being developed in Egypt
- AusIndustry provides support to Papyrus commercialisation
- Papyrus patent applications enter nationalisation phase to support protection of IP
- Feasibility studies for production locations outside of Egypt provide confidence for expansion of the technology globally

Papyrus Egypt

This year, Papyrus Egypt delivered, installed, and commissioned the first new banana fibre moulding line, setting a strong foundation for future projects. Additionally, Papyrus Egypt secured contracts with the Egyptian Government to expand the facility into a fully integrated factory, showcasing the scalability and versatility of our technology.

Egyptian Government's National Authority for Military Production (MP)

The first contracted production line for the MP was officially completed in April 2024, achieving all delivery, installation, and commissioning milestones, with the final 5% payment milestone due upon completion of the 12-month warranty period. Over the course of assembly, installation, and commissioning from October to March, the Papyrus Egypt team trained the MP team on operations, maintenance, automation and production controls, this training will continue for the next 12 months at which point operations will become the responsibility of MP staff. Production in the MP facility commenced in March, with fibre supplied exclusively from the Papyrus Egypt Sohag factory. The facility commenced operating one shift per day, with a target to increase to three shifts and aiming for a production output of 7,000 pieces per hour.

Following the successful commissioning of the initial production line, Papyrus Egypt secured two additional equipment contracts with the MP in May 2024 to upgrade the existing facility to be fully integrated and provide additional production capacity. These contracts, collectively valued at \$1.7 million USD, include the supply, installation, and commissioning of a primary processing line and an additional moulding line, planned for completion by early 2025. Located within the Egyptian Military Armoured Production and Repair Factory (Factory 200), this facility will be an integrated production facility and will accommodate future planned banana fibre moulding lines

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Directors' Report (cont.)

and primary processing lines. The additional moulding line will double the current production capacity from 50 million pieces to 100 million pieces per annum. This represents potential revenue of up to \$2.7 million USD per year from moulded product sales by Papyrus Egypt through its offtake agreement with the MP.

Local Manufacturing and Innovation in Egypt

Papyrus Egypt has commenced the local manufacturing of equipment components, such as ovens and other structural components with the MP under Papyrus Egypt supervision. This contributes to the organisations long-term sustainable development goals of increasing local supply capability which also benefits by reducing shipping time, costs, import fees, and taxes.

Papyrus Egypt has also collaborated with the Arab Organisation for Industrialization (AOI) to develop a new plantation waste shredder, enhancing the processing capability at the Sohag facility and potential future primary processing facilities. The shredder was trialled, modified then installed successfully in the Sohag factory. Additional shredders have been ordered for future processing lines.

Papyrus Egypt is also developing a mobile shredder which once completed will support streamlining the collection of plantation waste in Egypt prior to primary processing.

Papyrus Egypt has engaged the Desert Research Centre in Egypt to conduct research into the best methodology and equipment to concentrate the organic liquids extracted during the processing of banana waste to fibre. Concentrating the liquids will further improve the value proposition of the liquids as a fertiliser by reducing storage, packaging, transport and logistics costs. Additionally, Papyrus Egypt has also commenced the process for accreditation and certification of organic liquid outputs as an organic fertilizer, which has also been supported by the Minister of the MP and the Egyptian Government.

New Partnerships

Papyrus Egypt is negotiating a protocol agreement with AOI for a new integrated processing facility in Sharqiah, Egypt. AOI aims to purchase a fully integrated processing line which includes a primary processing line and a banana fibre moulding line from Papyrus Egypt for the new facility.

Additionally, discussions are underway with the Egyptian Governate of Asyut and MI Engineering to establish an integrated production facility in their region. Feasibility work has also been undertaken to establish additional integrated production facilities in other Middle East locations.

Sharqiah Facility

The lease for the PPYEg Sharqiah moulding facility was terminated, and experienced staff members were transferred to assist with the operation of MP Factory 200.



Ongoing research and development continually advances the conversion process to expand the applications of banana fibre.

Papyrus Australia

Consolidation of Papyrus Egypt

In an effort to align objectives, optimize resources, streamline processes, and enhance performance, Papyrus Australia proposed the consolidation of Papyrus Egypt. This proposal involved several stages of due diligence, including an independent valuation by BDO Egypt, legal counsel assessments, and Independent Expert Advice from Nexia Perth Corporate Finance Pty Ltd. The consolidation was approved by shareholders in a General Meeting held on 28 June 2024, with a 99.94% approval vote.

Our shareholders approved the consolidation of Papyrus Egypt with Papyrus Australia, showing strong support for aligning our strategic interests and optimizing operational efficiencies. Following the completion of the due diligence process of Papyrus Egypt the consolidation process will be finalised.

Business Development

Papyrus has commenced feasibility studies with several potential production partners in South America and Southeast Asia, the two largest banana growing regions outside of Africa.

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Directors' Report (cont.)

Pre-feasibility commercial modelling results are positive with several of the locations showing a strong return on investment for establishing Papyrus integrated processing plants.

There continues to be strong support for Papyrus's natural fibre packaging products from distribution companies as consumers and governments transition away from plastics and other unsustainable packaging alternatives. This remains a critical pillar in commercialisation of the business moving forward.

AusIndustry Programs

Papyrus Australia is registered for the Australian Government Research and Development Tax Incentive (R&DTI) program. The program is designed to encourage research and development within Australia to improve productivity across the Australian economy. The expenditure incurred on research and development includes eligible overseas activities and provides incentive and support for Papyrus to continue research and development towards commercialisation of its technology. This year Papyrus received \$432,211 for research and development expenditure under the program.

Papyrus also participated in the AusIndustry Industry Growth Program (IGP), receiving advisory services and guidance to support our commercialisation and growth plans. This report and advice provide a critical platform for future potential government funding options.

Environmental Benefit Modelling

Papyrus engaged Enviro Labs Pty Ltd to develop the verification and certification methodology for greenhouse gas assets. This analysis will assist in developing verification and certification methodologies to measure and monetize the greenhouse gas assets achieved through the abatement of methane gas otherwise emitted by decomposing banana plantation waste.

The Enviro Labs work was supported by the development of an academic standard through a team at the University of New South Wales. The academic standard provides an independent, authoritative, and quantifiable assessment of the carbon reductions generated by Papyrus's technology.

The Board, the AGM and EGM

The Non-Executive Directors continued to forego their remuneration during the year.

The Papyrus Annual General Meeting was held in November 2023, with all resolutions carried. The remuneration report was adopted with 46.11% of votes cast against its adoption, accordingly, the Company recorded a first strike.

In June 2024 Mr Al Jawhari was appointed to the Board as Executive Director to lead the Companies international projects. Following his appointment as director, in July 2024, he was appointed

Executive Chairman to take an increasing role as the Companies transitions from research and development activities to product development and marketing its technology internationally.

In June 2024 Mr Pascal Gouel retired as Director, having provided invaluable assistance to the Company in progressing its commercialization strategy during his tenure from July 2022.

In June 2024, a General Meeting of members was held to consider a Board recommendation to acquire EBFC's 50% interest in Papyrus Egypt (PPYEg) on a share swap basis. The meeting resulted in 99.94% of members voting in favor of the recommendation.

Patent Progress

The Papyrus International Patent application in 2022, relating to the method and apparatus for producing a mouldable cellulosic fibrous material, has now entered the national application phase and applications have been filed in Australia, the USA, Egypt, India and China.

Banana fibre pulp and moulded fibre products provide real world solutions that support a reduction in emissions from farming, a reduction in demand for plastics and an improvement to communities in need.



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Directors' Report (cont.)

FY2025 Horizon

FY2024 has been a transformative year for Papyrus Australia, marked by significant achievements in commercialisation of its technology, development of strategic partnerships, and ongoing improvement of its technology.

There continues to be strong demand for products that provide a positive impact to both social and environmental outcomes and provide real solutions to a transition away from unsustainable packaging. Papyrus is well positioned with its production of banana fibre pulp and moulded fibre products to provide real world solutions that support a reduction in emissions from farming, a reduction in demand for plastics and an improvement to communities in need.

Papyrus will continue to support the ramp up of the Papyrus Egypt and their commitments to the MP and other customers, while it completes the work for consolidation of the business.

Papyrus is now focused on expanding the technology with new production partners in other banana growing regions. With several promising developments over FY2024 Papyrus is well positioned to continue expansion outside the operation in Egypt.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the Company during the year ended 30 June 2024.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

The Company continues to investigate new opportunities to exploit its technology.

ENVIRONMENTAL REGULATION

The Group's operations are not subject to any significant environmental regulations under either Commonwealth or State legislation. The Group however believes that it has adequate systems in place for the management of any future environmental regulations.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

Subsequent to the reporting date, the Group settled its borrowings with investors totaling \$309,175 at 30 June 2024 in full.

Talisker (SA) Pty Ltd ("Talisker") an entity associated with Mr Ramy Azer, in 2012 entered into an agreement with the Company to provide a draw down facility of \$250,000. The unsecured loan during the year represents the draw down from the facility as at 2024: \$0 (2023: \$0). The loan is unsecured and repayable from future revenues or proceeds from future equity raisings, subject to not materially prejudicing the ability of the Company to repay its creditors. The interest bearing is at the rate of interest payable by the National Australia Bank Limited on 'Usaver savings accounts'

or, '12month term deposits'(whichever is greater) plus one percent (1%) and is considered payable at the time the loan is repaid. Talisker was subsequently deregistered and a new loan agreement on the same terms was entered into with Mr Ramy Azer in August 2024.

On 19 September 2024, Perfection Australia Group Pty Ltd ('PAG') and BPE Investments Pty Ltd ('BPE') (together the 'Plaintiffs') filed a Summons in the Supreme Court of New South Wales against Papyrus Australia Limited ('Papyrus'), and all board members, the Plaintiffs have sought to obtain specific performance to appoint two directors (namely, Jim Huang & Nicholas Anthony Di Girolamo) to the Board of Papyrus and for the resignation of Byrt and Rigano as directors from the Board pursuant to the terms of an agreement entitled 'Papyrus Services and Loan Agreement' between Papyrus and the Plaintiffs dated 9 April 2024 ('Services and Loan Agreement'). The Board is currently reviewing the Summons and is considering its options.

There have been no other significant matters subsequent to the end of the financial year.

Pre-feasibility commercial modelling results are positive with several locations in South America and Southeast Asia, the two largest banana growing regions outside of Africa, showing a strong return on investment for establishing Papyrus integrated processing plants.



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Directors' Report (cont.)

Shares under option

At the date of this report, the following options to acquire ordinary shares in the Company were on issue:

Issue date	Expiry date	Exercise price	Vesting date	Net issues / (exercised or expired) during the year	Number under option at the date of this report
04/05/2021	04/05/2026	\$0.20		-	250,000
04/05/2021	04/05/2026	\$0.40		-	250,000
01/04/2022	01/04/2025	\$0.10		-	250,000
02/11/2022	02/11/2025	\$0.06		-	10,000,000
02/11/2022	02/11/2027	\$0.10		-	10,000,000
05/01/2023	05/01/2024	\$0.06		(2,727,273)	-
09/06/2023	09/06/2025	\$0.03		14,285,714	14,285,714
28/06/2023	28/09/2024	\$0.03		25,000,000	25,000,000
04/09/2023	04/09/2024	\$0.04		3,075,000	3,075,000
19/07/2024	19/11/2024	\$0.009		27,777,777	27,777,777
19/07/2024	19/11/2026	\$0.03		5,000,000	5,000,000
12/08/2024	12/12/2024	\$0.009		8,797,222	8,797,222

Shares issued as a result of the exercise of options

125,000 of the options issued on the 4 September 2023 were exercised during the year ended 30 June 2024 (no options were exercised during 2023 financial year).

Options Expired

2,727,273 options expired during the year ended 30 June 2024.

New options issued

On 4 September 2023 the company issued 3,200,000 unlisted options exercisable at \$0.04 per option and with an expiry date of one year from date of issue, being 4 September 2024 which were issued as part of capital raise to sophisticated investors.

On 19 July 2024 the company issued 27,777,777 unlisted options exercisable at \$0.009 per option and with an expiry date of 4 months from issue date, being 19 November 2024 which were issued as part of capital raise to sophisticated investors.

On 19 July 2024 the company issued 5,000,000 unlisted options exercisable at \$0.03 per option and with an expiry date of two years from issue date, being 19 November 2026 which were issued as commission paid for the capital raise to sophisticated investors made on 19 July 2024.

On 12 August 2024 the company issued 8,797,222 unlisted options exercisable at \$0.009 per option and with an expiry date of 4 months from issue date, being 12 December 2024 which were issued as part of capital raise to sophisticated investors.

Option holders do not have any rights to participate in any issues of shares or other interests of the company or any other entity. There have been no other options granted over unissued shares or interests of any control entity within the Group during or since the end of the reporting period. For details of options issued to directors and executives as remuneration, refer to the remuneration report.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

To the extent permitted by law, the Company has indemnified (un-insured) each director and the secretary of the Company. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings (that may be brought) against the officers in their capacity as officers of the Company or a related body, and any other payments arising from liabilities incurred by the officers in connection with such proceedings, other than where such liabilities arise out of conduct involving a willful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Company.

A premium of \$40,270 was paid for Papyrus Directors and Officers D&O Liability Insurance for the year ended 30 June 2024 (2023: \$41,456)

There continues to be strong support for Papyrus's natural fibre packaging products from distribution companies as consumers and governments transition away from plastics and other unsustainable packaging alternatives



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Directors' Report (cont.)

REMUNERATION REPORT - AUDITED

This report outlines the remuneration arrangements in place for key management personnel of Papyrus Australia Ltd.

Remuneration philosophy

The Board is responsible for determining remuneration policies applicable to Directors and senior executives of the entity. The broad policy is to ensure that remuneration properly reflects the individuals' duties and responsibilities and that remuneration is competitive in attracting, retaining and motivating people with appropriate skills and experience. At the time of determining remuneration, consideration is given by the Board to the Group's financial performance.

Employment contracts

The Company has employment contracts with the following:

- Mr Daniel Schmidt, Chief Operating Officer with a remuneration of \$205,000 per annum plus superannuation. The contract has no fixed term with each party can terminate the contract with 3 months' notice in writing.
- The Company has consultancy contracts with the following executive directors:
- The Company entered into a service arrangement with CC&C Pty Ltd for consultancy services to be provided by Mr Pascal Gouel as Executive Director International Business Development, with an annual remuneration of \$50,000 plus GST. Mr Gouel retired as a board director on 30 June 2024 and the contract has lapsed.

Key management personnel remuneration and equity holdings

The Board currently determines the nature and amount of remuneration for key management personnel of the Group. The policy is to align key management personnel objectives with shareholder and business objectives by providing a fixed remuneration component and offering specific long-term incentives.

The Non-Executive Directors and other executives receive a superannuation guarantee contribution required by the government, which is currently 11%, and do not receive any other retirement benefits. Some individuals, however, may choose to sacrifice part of their salary to increase payments towards superannuation. All remuneration paid to key management personnel is expensed as incurred. Executives are also entitled to participate in the Group share option scheme. Options are valued using the Black-Scholes methodology.

The Board policy is to remunerate Non-Executive Directors at market rates based on comparable companies for time, commitment and responsibilities. The Board determines payments to Non-Executive Directors and reviews their remuneration annually, based on market practice,

Non-Executive Directors' fees are determined within an aggregate director's fee pool limit, which is periodically recommended for approval by shareholders. The pool does not include the remuneration payable to the Executive Directors. The maximum currently stands at \$300,000 per annum and was approved by shareholders prior to the Company listing in April 2005. It should be noted that other than the Executive Director International Business Development, no other directors have received any remuneration during the 2024 financial year.

USE OF REMUNERATION CONSULTANTS

During the financial year, there were no remuneration recommendations made in relation to key management personnel for the Company by any remuneration consultants. The Company did not use any remuneration consultation during financial year 2024.

VOTING AND COMMENTS MADE AT THE COMPANY'S 2023 ANNUAL GENERAL MEETING

Papyrus Australia Ltd motion in relation to the approval of 2023 remuneration report passed with a vote total of 53.89%, resulting in the Company receiving a first strike. The Company did not receive any specific feedback at the AGM on its remuneration report.

DETAILS OF REMUNERATION

Amounts of remuneration

Detail of the remuneration of key management personnel of the Group are set out in the following tables.

They key management personnel of the Group consisted of the following directors Papyrus Australia Limited: Mr Al Jawhari, Executive Chairman (appointed 4 June 2024)

Mr Edward Byrt, Non-Executive Director

Mr David Attias, Non-Executive Director

Mr Vincent Peter Rigano, Non-Executive Director

Mr Pascal Gouel, Executive Director (retired 30 June 2024)

And the following person:

Mr Daniel Schmidt -Chief Operating Officer

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Directors' Report (cont.)

Mr Peter Rostig – Manager – Engineering (retired from his full-time position in 2023 and is available to provide engineering services to Papyrus as required)

There has been a change to the key management personnel of the group since the end of the reporting period. Mr Edward Byrt retired as Non-Executive Chairman on 16 July 2024 and Mr Al Jawhari was appointed Executive Chairman.

Table 1: Directors' remuneration for the year ended 30 June 2024 and 30 June 2023

	Primary benefit	Post employment	Share-based payments	Total benefit
	Salary & Fees \$	Superannuation \$	Options \$	\$
Mr Pascal Gouel				
2024(*)	50,000	-	-	50,000
2023	45,837	-	-	45,837
Total				
2024	50,000	-	-	50,000
2023	45,837	-	-	45,837

(*) Represents the payments made to Mr Pascal Gouel under the consultancy arrangement as discussed above upon his appointment as Executive Director of the Company. Mr Gouel resigned as Company Director on 30 June 2024.

Table 2: Remuneration of key management personnel for the year ended 30 June 2024 and 30 June 2023

	Primary benefit	Post employment	Share-based payments	Total benefit
	Salary & Fees \$	Superannuation \$	Options \$	\$
Mr Peter Rostig				
2024(**)	-	-	-	-
2023	135,000	14,158	-	149,158
Mr Daniel Schmidt				
2024(*)	195,162	18,564	-	213,726
2023	205,000	21,525	-	226,525
Total				
2024	195,162	18,564	-	213,726
2023	340,000	35,683	-	375,683

(*) Represents remuneration to Mr Schmidt under the service contract.

(**) As disclosed in 2023 financial statement, Mr Rostig resigned from his position at 30 June 2023. The Group entered into a service contract with Mr Rostig in 2024 financial year for engineering services on as needed basis only. As a result, he is not considered key management personnel for the purpose of this report for 2024 financial year.

Options holdings of Directors and Key Management Personnel

Directors and key management personnel at 30 June 2024 do not hold any options (2023: 500,000 options outstanding and exercisable for Mr Rostig).

All remuneration for both 2024 and 2023 for key management personnel was fixed and not linked to performance.

Key Management Personnel (Direct & Indirect) Shareholdings

	Balance at 1 July 2022	Other changed	Balance at 30 June 2023
E Byrt	25,939,471	-	25,939,471
D Attias	9,343,250	-	9,343,250
V Rigano	13,121,809	-	13,121,809
P Gouel	-	-	-
Total	48,404,530	-	48,404,530

	Balance at 1 July 2023	Other changed	Balance at 30 June 2024
A Jawhari	-	-	-
E Byrt	25,939,471	-	25,939,471
D Attias	9,343,250	-	9,343,250
V Rigano	13,121,809	-	13,121,809
P Gouel	-	-	-
Total	48,404,530	-	48,404,530

Other transactions with key management personnel

The Company had unsecured payable owing to with V Rigano and P Gouel. The payable was short-term in nature and no interest is charged on this. The balance relates to reimbursement of expenses and service render is as follows:

	Balance at 30 June 2023	Balance at 30 June 2024
V Rigano	2,035	1,033
P Gouel	-	27,500

END OF AUDITED REMUNERATION REPORT.

Directors' Report (cont.)

DIRECTORS' MEETINGS

The number of meetings of directors (including meetings of committees of directors) held during the year and the number of meetings attended by each director were as follows:

	Directors' meetings		Audit committee	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Number of meetings held	24		2	
A Jawhari	2	2	0	0
E Byrt	24	24	2	2
D Attias	24	24	2	2
V Rigano	24	23	2	2
P Gouel (retired 30 June 2024)	24	24	0	0

Members acting on the audit committee of the Board are:

- Al Jawhari** Executive Chairman
- Vincent Rigano** Non-Executive Director
- Edward Byrt** Non-Executive Director
- David Attias** Non-Executive Director

PROCEEDINGS ON BEHALF OF THE COMPANY

The Group was not a party to any proceedings during the year.

NON-AUDIT SERVICES

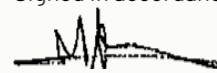
BDO Audit Pty Ltd, in its capacity as auditor for Papyrus Australia Ltd, has not provided any non-audit services throughout the reporting period.

BDO Services has assisted with applications for the Research and Development Tax Incentive (R&DTI) Tax offset for Papyrus Australia Ltd.

AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2024 as required under section 307C of the Corporations Act 2001 has been received and can be found on page 19.

Signed in accordance with a resolution of the directors.


Al Jawhari,
Chairman

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DECLARATION OF INDEPENDENCE

BY LINH DAO
TO THE DIRECTORS OF PYPYRUS AUSTRALIA LIMITED

As lead auditor of Papyrus Australia Limited for the year ended 30 June 2024, 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 audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

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

Linh Dao
Director

BDO Audit Pty Ltd

Adelaide, 27 September 2024

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.

Consolidated Statement of Changes in Equity

For the year ended 30 June 2024

	Consolidated Group				
	Note	Issued capital	Earnings / (Accumulated losses)	Share option reserve	Total
		\$	\$	\$	\$
Balance at 1 July 2022		25,672,581	(23,459,985)	1,060,263	3,272,859
Comprehensive income					
Loss for the year		-	(1,503,598)	-	(1,503,598)
Total comprehensive income for the period		-	(1,503,598)	-	(1,503,598)
transactions with owners, in their capacity as owners, and other transactions					
Shares Issued via private placement on 5 January 2023		300,000	-	-	300,000
Shares issued via private placement on 9 June 2023		400,000	-	-	400,000
Share based payments		-	-	11,225	11,225
Total transactions with owners and other transactions	11	700,000	-	11,225	711,225
Balance at 30 June 2023		26,372,581	(24,963,583)	1,071,488	2,480,486
Balance at 1 July 2023		26,372,581	(24,963,583)	1,071,488	2,480,486
Comprehensive income					
Loss for the year		-	(644,060)	-	(644,060)
Total comprehensive income for the period		-	(644,060)	-	(644,060)
transactions with owners, in their capacity as owners, and other transactions					
Shares Issued via private placement on 4 September 2023		75,200	-	-	75,200
Conversion of unlisted options on 20 October 2023		5,000	-	-	5,000
Share based payments		-	-	220,410	220,410
Total transactions with owners and other transactions	11	80,200	-	220,410	300,610
Balance at 30 June 2024		26,452,781	(25,607,643)	1,291,898	2,137,036

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Consolidated Statement of Cash Flows

For the year ended 30 June 2024

	Consolidated Group		
	Note	2024	2023
		\$	\$
Cash flows from operating activities			
Receipts from customers		100	-
Government grants and tax incentives		268,314	-
Payments to suppliers and employees		(871,525)	(1,237,523)
Net cash used in operating activities	13	(603,111)	(1,237,523)
Cash flows from investing activities			
Purchase property, plant & equipment		(3,264)	-
Net loans (made to)/ repaid from joint venture entity		(48,551)	(413,742)
Net cash from investing activities		(48,551)	(413,742)
Cash flows from financing activities			
Proceed from issue of shares and options		85,000	700,000
Proceed from borrowings		521,733	-
Transaction costs from financing activities		(9,839)	-
Net cash from financing activities		596,894	700,000
Net (decrease)/increase in cash and cash equivalents		(58,032)	(951,265)
Cash at the beginning of the financial year		425,003	1,376,268
Cash at the end of the financial year	5(a)	366,971	425,003

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Notes to the Financial Statements

For the year ended 30 June 2024

This financial report covers the consolidated financial statements and notes of Papyrus Australia Ltd ('the Company') as an Individual entity and the consolidated Group comprising Papyrus Australia Ltd and its Controlled Entities ('the Group'). Papyrus Australia Ltd is a for-profit Group limited by shares, incorporated and domiciled in Australia, whose shares are publicly traded on the Australian Securities Exchange. The financial statements were authorised for issue by the Board of Directors 27 September 2024.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The separate financial statements and notes of the parent entity, Papyrus Australia Ltd, have not been presented within this financial report as permitted by amendments made to the Corporations Act 2001.

1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with Australian Accounting Standards, Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. The Group is a for-profit entity for financial reporting purposes under Australian Accounting Standards.

These financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The significant accounting policies used in the preparation and presentation of these financial statements are provided below and are consistent with prior reporting periods unless otherwise stated.

Except for the cash flow information, the financial statements are prepared on an accruals basis and are based on historical costs, except for the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

New or amended Accounting Standards and Interpretations adopted

The Group has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

The adoption of these Standards did not result in significant changes to the Group's accounting policies and had no material impact on its financial statements, except as disclosed below.

AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates

The amendment took effect from 1 January 2023, requirement entities to disclose only material accounting policy information rather than all significant accounting policies. The amendment also provides guidance on which accounting policy information is expected to be material. Management adopted the amendment for the first time this financial year, assessing the material accounting policies to the users and removing accounting policies that were standardised information or information that only duplicates or summarises the requirements of the Standards.

Any new or amended Accounting Standards or Interpretations that are not mandatory have not been early adopted.

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 \$644,060 and had net cash outflows of \$58,032 as at 30 June 2024.

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 offtake contact income for the sale of output generated by Egyptian Government project.

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1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

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.

b. Principles of Consolidation

The consolidated financial statements include the financial position and performance of controlled entities from the date on which control is obtained until the date that control is lost.

Intragroup assets, liabilities, equity, income, expenses and cash flows relating to transactions between entities in the consolidated entity have been eliminated in full for the purpose of these financial statements.

Appropriate adjustments have been made to a controlled entity's financial position, performance and cash flows where the accounting policies used by that entity were different from those adopted by the consolidated entity. All controlled entities have a June financial year end.

A list of controlled entities is contained in Note 17 to the financial statements.

Subsidiaries

Subsidiaries are all entities (including structured entities) over which the parent has control. Control is established when the parent is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity.

c. Other income

Interest revenue

Interest is recognised using the effective interest method.

Grant revenue

Government grants are recognised at fair value where there is reasonable assurance that the grant will be received, and all grant conditions will be met. Grants relating to expense items are recognised as income over the periods necessary to match the grant to the costs they are compensating. Grants relating to assets are credited to deferred income at fair value and are credited to income over the expected useful life of the asset on a straight-line basis.

The R&D refundable incentive is recognised as government grant in profit or loss on accrual basis when the Group is satisfied that there are reasonable assurance that the expenses incurred are eligible for the incentive per relevant guidelines for the Scheme.

d. Finance costs

Finance costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other finance costs are recognised in income in the period in which they are incurred.

e. Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

Bank overdrafts also form part of cash equivalents for the purpose of the consolidated statement of cash flows and are presented within current liabilities on the consolidated statement of financial position.

f. Trade and other receivables

For trade receivables, the Group applies a simplified approach in calculating Expected Credit Losses ('ECLs') as allowed in accordance with AASB 9 Financial Instruments.

Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

g. Income Tax

The Group has been in a tax loss position for a number of years and has significant tax losses carried forward for future reporting periods. The Group only recognised deferred tax assets on these tax losses carried forward to the extent that they fully offset deferred tax liabilities (if any).

Tax consolidation legislation

Papyrus Australia Ltd and its wholly owned Australian subsidiaries have formed an income tax consolidated group.

Each entity in the tax consolidated group accounts for their own current and deferred tax amounts. These tax amounts are measured using the 'stand-alone taxpayer' approach to allocation.

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1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

Current tax liabilities (assets) and deferred tax assets arising from unused tax losses and tax credits in the subsidiaries are immediately transferred to the parent entity.

h. Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payable are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the ATO is included as part of receivables or payables in the consolidated statement of financial position.

Cash flows in the consolidated statement of cash flows are included on a gross basis and the GST component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

i. Plant and Equipment

Each class of plant and equipment are measured using the cost model as specified below.

Where the cost model is used, the asset is carried at its cost less any accumulated depreciation and any impairment losses. Costs include purchase price, other directly attributable costs and the initial estimate of the costs of dismantling and restoring the asset, where applicable.

Depreciation

The depreciable amount of all plant and equipment is depreciated on a straight-line and diminishing value basis from the date that management determine that the asset is available for use.

Assets held under a finance lease and leasehold improvements are depreciated over the shorter of the term of the lease and the assets useful life.

The estimated useful lives used for each class of depreciable asset are shown below:

Fixed asset class	Useful life
Plant and Equipment	2.5 - 20 years

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in the statement of profit or loss and other comprehensive income.

j. Impairment of non-financial assets

At the end of each reporting period, the Group determines whether there is any evidence of an impairment indicator for non-financial assets.

Where this indicator exists and regardless of goodwill, indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the assets is estimated.

Where assets do not operate independently of other assets, the recoverable amount of the relevant cash-generating unit (CGU) is estimated.

The recoverable amount of an asset or CGU is the higher of the fair value less costs of disposal and the value in use. Value in use is the present value of the future cash flows expected to be derived from an asset or cash-generating unit.

Where the recoverable amount is less than the carrying amount, an impairment loss is recognised in profit or loss.

Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

k. Trade and other payables

Trade and other payables are carried at amortised costs and represent liabilities for goods and services provided to the Group prior to the end of the financial year that are unpaid and arise when the Group becomes obliged to make future payments in respect of the purchase of these goods and services.

l. Interest bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost.

m. Equity settled compensation

Group provides benefits to employees of the Group in the form of share-based payments, whereby employees receive options incentives (equity-settled transactions).

There is currently one plan in place to provide these benefits, the Employee Share Option Plan (ESOP) which provides benefits to employees.

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1. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION (cont.)

The cost of these equity- settled transactions with employees is measured by reference to the fair value at the date at which they were granted. The fair value is determined using the Black- Scholes option pricing model.

The cost of equity- settled transactions is recognised as an expense in the consolidated statement of profit or loss and other comprehensive income, together with a corresponding increase in the share option reserve, when the options are issued. However, where options have vesting terms attached, the cost of the transaction is amortised over the vesting period.

Upon the exercise of options, the balance of share-based payments reserve relating to those options is transferred to issued capital.

n. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options which vest immediately are recognised as a deduction from equity, net of any tax effects.

o. Earnings per share

The Group presents basic and diluted earnings per share information for its ordinary shares.

Basic earnings per share is calculated by dividing the profit attributable to members of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share adjusts the basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

In accordance with AASB 133 'Earnings per Share', as potential ordinary shares may only result in a situation where their conversion results in an increase in loss per share or decrease in profit per share from continuing operations, no dilutive effect has been taken into account in 2023 and 2024.

p. Critical accounting estimates and judgments

The preparation of financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Except as described below, in preparing this report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial report for the year ended 30 June 2024.

Key estimates Impairment of assets

The Group assesses impairment at each reporting date by evaluating conditions specific to the Group that may lead to an impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined.

q. Investment in associate and joint venture

An associate is an entity over which the Group has significant influence. A 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.

2. REVENUE AND EXPENSES

	Consolidated Group	
	2024	2023
	\$	\$
REVENUE		
(a) Other income		
R&D Tax incentive	672,958	97,630
	672,958	97,630
EXPENSES		
(b) Employee benefit expenses		
Wages, salaries and other remuneration expenses	208,776	371,587
Total employee benefit expenses	208,776	371,587
<i>Included in wages, salaries and other remuneration expenses were defined superannuation contribution expense for the year ended 30 June 2024 \$21,863 (2023: \$35,683)</i>		
(c) Other expenses		
Audit and accounting fees	109,109	79,866
Legal fees	42,064	3,516
Marketing	52,302	107,923
Travel and accommodation	16,345	87,455
Governance and secretarial costs	8,828	12,371
Intellectual property expenses	15,846	6,056
Information technology	2,958	-
Interest expense	45,489	-
R & D expenses	369,437	-
Foreign currency exchange expense	152,844	-
Patent Costs	9,531	17,113
Insurance	40,906	37,341
Share registry and ASX expenses	72,997	79,959
Other expenses	8,297	14,709
	946,953	446,309

3. INCOME TAX EXPENSE

	Consolidated Group	
	2024	2023
	\$	\$
The major components of tax expense(income) comprise:		
Income tax expense	-	-
A reconciliation between tax expense and the product of accounting Loss before income tax multiplied by the Group's applicable one tax		
	Consolidated Group	
	2024	2023
	\$	\$
Loss before income tax	(644,060)	(1,503,598)
At the Group's income tax rate of 25% (2023:25%)	(161,015)	(375,900)
Share-based payments expensed during the year	220,410	11,275
Expenditure not allowable for income tax purposes	-	5,385
Tax losses not recognised due to not meeting recognition criteria	59,395	359,240
	-	-

The Group has tax losses arising in Australia of \$14,264,659 (2023: \$14,205,264)

No deferred tax asset has been recognized because it is not likely future assessable income is derived of a nature and of an amount sufficient to enable the benefit to be realized.

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NOTES TO THE FINANCIAL STATEMENTS (cont.)

4. EARNINGS PER SHARE

Basic earnings per share amounts are calculated by dividing net loss for the year attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net loss attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on the conversion of all the dilutive potential ordinary shares into ordinary shares.

In accordance with AASB 133 'Earnings per Share', as potential ordinary shares may only result in a situation where their conversion results in an increase in loss per share or decrease in profit per share from continuing operations, no dilutive effect has been taken into account in 2024 or 2023.

The following reflects the income and share data used in the basic and diluted earnings per share computations:

a. Reconciliation of earnings to profit or loss from continuing operations

	Consolidated Group	
	2024	2023
	\$	\$
Net loss attributable to ordinary equity holders of the parent	(644,060)	(1,503,598)

b. Weighted average number of ordinary shares outstanding during the year used in calculating basic EPS

	Consolidated Group	
	2024	2023
	\$	\$
Weighted average number of ordinary shares for basic earnings per share	492,119,785	473,079,388
Effect of dilution		
Share options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	492,119,785	473,079,388

5. CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2024	2023
	\$	\$
Cash at bank and in hand	366,971	425,003

Included in the cash at bank and in hand is \$239,524 cash held in the Group's bank account in Egypt, in Egyptian Pounds (2023: nil). Due to legal restrictions over foreign exchange in Egypt, the fund is not available to general use by the parent in Australia. However, the Group has full access to the fund for its continuing operations and investment in Egypt.

Cash at bank earns interest at floating rates based on daily bank deposit rates.

Short-term deposits are made for varying periods of between one day and six months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

(a) Reconciliation of cash

Cash and Cash equivalents reported in the consolidated statement of cash flows are reconciled to the equivalent items in the consolidated statement of financial position as follows:

	Consolidated Group	
	2024	2023
	\$	\$
Cash at bank and in hand	366,971	425,003

6. TRADE AND OTHER RECEIVABLES

	Consolidated Group	
	2024	2023
	\$	\$
Current		
Other receivables	873,879	1,453,405
R&D incentive receivables	336,437	97,630
GST recoverable	9,000	8,036
Total	1,219,316	1,559,071

Other Receivable represent receivable from Papyrus Egypt, a joint venture company that the Group accounts for using equity method. No expected credit losses were recognized for

NOTES TO THE FINANCIAL STATEMENTS (cont.)

the receivable for the year ended 30 June 2024 (2023: Nil) as there did not note a significant increase in credit risk. This amount is interest free and repayable on demand.

7. PREPAYMENTS

	Consolidated Group	
	2024	2023
	\$	\$
Prepayments	8,070	6,067
Total	8,070	6,067

8. PLANT AND EQUIPMENT

	Consolidated Group	
	2024	2023
	\$	\$
Plant and equipment		
Plant and equipment at cost	7,108	3,844
Accumulated depreciation and impairment	(2,235)	(1,564)
Net carrying amount	4,873	2,280

(a) Movements in carrying amounts of plant and equipment

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current and previous financial years:

Consolidated	Plant & Equipment
	\$
Year ended 30 June 2024	
Balance at the beginning of year	3,844
Additions	3,264
Depreciation expense	(2,235)
Balance at the end of the year	4,873

9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name	Classification	Place of business/ incorporation	Proportion of ordinary share interests / participating shares		Measurement method	Carrying amount	
			2024 %	2023 %		2024 \$	2023 \$
Egyptian Banana Fibre Company	Associate	Sohag, Egypt	39.22%	39.22%	Equity method		
Papyrus Egypt	Joint Venture	Sohag, Egypt	50%	50%	Equity method	1,122,694	689,856

In prior years, as a result of the relinquishment of its entitlement to licensing fees and royalties, the Group acquired 39.22% equity in Egyptian Banana Fibre Company for a total consideration of \$1,052,242, which resulted in an indirect interest in Papyrus Egypt by 19.66%. No further acquisition was made during the year with regard to shareholding in Egyptian Banana Fibre Company. The goodwill balance relating to these transactions were included in the carrying amount of the investment.

As a result of the above transaction, Papyrus Egypt is a joint arrangement that is structured as an incorporated entity (company) with two principal members, Papyrus Australia Limited and Egyptian Banana Fibre Company. 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.

In an effort to align objectives, optimize resources, streamline processes, and enhance performance, Papyrus Australia proposed the consolidation of Papyrus Egypt. This proposal involved several stages of due diligence, including an independent valuation by BDO Egypt, legal counsel assessments, and Independent Expert Advice from Nexia Perth Corporate Finance Pty Ltd. The consolidation was approved by shareholders in a General Meeting held on 28 June 2024, with a 99.94% approval vote.

Our shareholders approved the consolidation of Papyrus Egypt with Papyrus Australia, showing strong support for aligning our strategic interests and optimizing operational efficiencies. Following the completion of the due diligence process of Papyrus Egypt the consolidation process will be finalised.

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9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD (continued)

The Group has joint control, of 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 Investments in Associates and Joint Ventures.

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Summarised Financial Position

	Consolidated Group	
	2024	2023
	\$	\$
Cash and cash equivalents	104,108	9,682
Total current assets	136,021	154,737
Total non-current assets	723,747	936,985
Total current liabilities	175,092	1,076,997
Total non-current liabilities	-	-
Net assets	685,268	396,377
Group's share (%)		
Direct shareholding	50.00%	50.00%
Indirect shareholding	19.61%	19.61%
Total shareholding	69.61%	69.61%
Group share of joint venture's net assets	477,030	275,918
Revenue	1,353,995	76,215
Depreciation	45,078	25,339
Profit / (Loss) for the year before income tax	847,792	(520,595)
Income tax expense	-	-
(Loss) for the year	847,792	(520,595)
Other comprehensive income	-	-
Total comprehensive income	847,792	(520,595)
Group's share (%)		
Direct shareholding	50.00%	50.00%
Indirect shareholding	19.61%	19.61%
Total shareholding	69.61%	69.61%
Group share of joint venture's net profit before elimination	590,167	(362,386)
Elimination of upstream transaction with Payprus Australia	(245,469)	-
Group share of joint venture's net profit after elimination	344,698	(362,386)
Reconciliation to Carrying Amounts		
Investment at beginning of the year	689,856	1,052,242
Interest charged on loan to joint venture accounted for as cost of investment	88,140	-
Share of the JV for the year	344,698	(362,386)
Closing carrying amount of investment	1,122,694	689,856

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10. TRADE AND OTHER PAYABLES

	Note	Consolidated Group	
		2024	2023
		\$	\$
CURRENT			
Trade payables	10(a)	50,512	45,117
Sundry payables and accrued expenses	10(b)	117,365	156,674
R&D borrowings	10(c)	107,836	-
Investor borrowings	10(d)	309,175	-
		584,888	201,791

a. Trade payables

Trade payables are non-interest bearing and normally settled on 60-day terms.

Information regarding the risks associated with current payables is set out in Note 18.

b. Sundry payables and accrued expenses

Within Sundry payables and accrued expenses, \$40,867 relates to accrued interest on the loan provided by Talisker (SA) Pty Ltd (an entity associated with the former Managing Director Ramy Azer) repayable from future revenues or proceeds from future equity raisings, subject to not materially prejudicing the ability of the Company to repay its creditors. The Company was deregistered and the accrued interest liabilities were transferred to Ramy with a new loan agreement on the same term entered into with him subsequent to the reporting date as disclosed at note 19.

c. R&D borrowings

During the year, the Group entered into a loan agreement with Innovation Structured Finance Co., LLC to fund its research and development in the course of its business activities. The borrowings are secured over the R&D incentive refundable the Group is entitled to under the R&D incentive scheme. This facility is for a total loan amount of \$108,600 with the original maturity date of 31 December 2024 and annual interest rate of 15%.

d. Investor borrowings

During the period the Company entered into loan agreements with sophisticated investors of which some were existing shareholders of the Company.

The terms of the loans are:

- Interest is payable at the rate 12% per annum and calculated on a simple interest basis payable at the time that the loans are repaid or converted to equity. Interest accrued to 30 June 2024 was \$1,972.

- The loan agreement required the issue of unlisted options, exercisable at \$0.009 per option converted and have an expiry period of 4 months from issue. The conversion of the options is at the discretion of the board.

Subsequent to the reporting date, the investor borrowings were settled in full through the issuance of options to acquire shares in the Group.

11. ISSUED CAPITAL

	Consolidated Group	
	2024	2023
	\$	\$
Fully paid ordinary shares 492,692,593 (2023: 489,367,593)	26,452,781	26,372,581
Total issued capital	26,452,781	26,372,581

a) Ordinary shares

	Consolidated Group			
	2024	2024	2023	2023
	Number	\$	Number	\$
At the beginning of the reporting period	489,367,593	26,372,581	469,627,333	25,672,581
(2023: Issued pursuant to private placement 5 January 2023)	-	-	5,454,546	300,000
(2023: Issued pursuant to private placement 5 January 2023)	-	-	14,285,714	400,000
Issued pursuant to private placement 4 September 2023	3,200,000	75,200	-	-
Issued via exercise of options 20 October 2023	125,000	5,000	-	-
At the end of the reporting period	492,692,593	26,452,781	489,367,593	26,372,581

On 4 September 2023, the Company announced that it had raised \$80,000 via a private placement of 3,200,000 ordinary fully paid shares at a price of \$0.025 per share to sophisticated investors with cost of the raise, and the Company announced the conversion was completed. The cost of the raise was \$4,800.

On 20 October 2023, the Company announced that it had raised \$5,000 via the conversion of 125,000 to ordinary fully paid shares at a price of \$0.04 per unlisted option converted, and the Company announced the conversion was completed.

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The holders of ordinary shares are entitled to participate in dividends (in the event when a dividend is declared) and the proceeds on winding up of the Group. Via a poll at meetings of the Group, each holder of ordinary shares has one vote per share held in person. The Group does not have authorized capital or par value in respect of its shares. In the event of winding up the Company, ordinary shareholders rank after all creditors and are fully entitled to any net proceeds of liquidation.

(b) Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximizing the return to stakeholders.

The capital structure of the Group consists of cash and cash equivalents and equity attributable to equity holders of the parent, comprising issued capital, reserves and accumulated losses.

Proceeds from share issues are used to maintain and expand the Group's plant and equipment requirements, research and development activities and fund operating costs.

12. RESERVES

		Consolidated Group	
		2024	2023
	Note	\$	\$
Share Option Reserve			
		1,071,488	1,060,263
		220,410	11,225
		1,291,898	1,071,488

a) Share option reserve

This reserve is used to record the value of equity benefits provided to employees and directors as part of their remuneration. Refer to Note 14 for further details of these plans.

13. RECONCILIATION OF NET LOSS AFTER TAX TO NET CASH FLOWS FROM OPERATIONS

		Consolidated Group	
		2024	2023
		\$	\$
Net Loss		(644,060)	(1,503,598)
Non-cash flow in loss:			
Depreciation expenses		2,235	1,352
Share-based payment expense		220,410	11,275
Share of net profit of joint venture		(344,698)	362,386
Change in assets and liabilities			
Decrease/(Increase) in trade and other receivables		175,857	(111,130)
Decrease/(Increase) in trade and other payables		(12,855)	2,192
Net cash (used in)/provided by operating activities		(603,111)	(1,237,523)

14. SHARE BASED PAYMENTS

Employee Share Option Plan

The Group established the Papyrus Australia Ltd Employee Share Option Plan, and a summary of the Rules of the Plan are set out below:

- All employees (full and part-time) will be eligible to participate in the Plan.
- Options are granted under the Plan at the discretion of the Board and if permitted by the Board, may be issued to an employee's nominee.
- If, prior to the expiry date of options, a person ceases to be an employee of the Group for any reason other than retirement at age 60 or more (or such earlier age as the Board permits), permanent disability, redundancy or death, the options held by that person (or that person's nominee) automatically lapse on the first to occur of a) the expiry of the period of 30 days from the date of such occurrence, and b) the expiry date. If a person dies, the options held by that person will be exercisable by that person's legal personal representative.
- Options can't be transferred other than to the legal personal representative of a deceased option holder.
- The Company will not apply for an official quotation of any options issued under the plan.
- Option holders may only participate in new issues of securities by first exercising their options.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

The Board may amend the Plan Rules subject to the requirements of the Listing Rules

The following table illustrates the number (No.) and weighted average exercise prices (WAEP) and movements in share options issued during the year:

A summary of the Group options issued is as follows:

2024 Exercise price WAEP	Start of the year No.	Granted during the year No.	Exercised during the year No.	Expired during the year No.	Balance of the end of the year No.	Vested and exercisable at the end of the year No.
0.20	250,000	-	-	-	250,000	250,000
0.40	250,000	-	-	-	250,000	250,000
0.10	250,000	-	-	-	250,000	250,000
0.06	2,272,273	-	-	2,272,273	-	-
0.03	14,285,714	-	-	-	14,285,714	14,285,714
0.03	25,000,000	-	-	-	25,000,000	25,000,000
0.04	-	3,200,000	125,000	-	3,075,000	3,075,000
	42,307,987	3,200,000	125,000	2,272,273	43,110,714	43,110,714

2023 Exercise price WAEP	Start of the year No.	Granted during the year No.	Exercised during the year No.	Expired during the year No.	Balance of the end of the year No.	Vested and exercisable at the end of the year No.
0.05	750,000	-	-	750,000	-	-
0.20	250,000	-	-	-	250,000	250,000
0.40	250,000	-	-	-	250,000	250,000
0.10	5,250,000	-	-	5,000,000	250,000	250,000
0.06	20,000,000	-	-	20,000,000	-	-
0.06	-	2,272,273	-	-	2,272,273	2,272,273
0.03	-	14,285,714	-	-	14,285,714	14,285,714
0.03	-	25,000,000	-	-	25,000,000	25,000,000
	26,500,000	41,557,987	-	25,750,000	42,307,987	42,307,987

The weighted average remaining contractual life of options outstanding at year end was 1.23 years (2023:1.42years).

The range of weighted average exercise prices for options outstanding at the end of the year was \$0.049 (2023: \$0.032) For the options granted during the current financial year, the valuation model inputs used to determine the fair value at the grant date, are as follows, noting that none of the grants this year fell within the scope of AASB 2 Share Based Payments:

Grant date	Expiry date	Share price at grant date	Exercise date	Expected volatility	Risk free rate	Fair value at grant date
04/09/2023	04/09/2024	\$0.003	\$0.03	114.9%	2%	\$0.039

15. CONTINGENCIES AND COMMITMENTS

In the opinion of the Directors, the Group did not have any commitment or contingencies at 30 June 2024 (2023: nil).

16. REMUNERATION OF AUDITORS

During the financial year the following fees paid or payable for services provided by the Group's auditors and their network firms:

	Consolidated Group	
	2024	2023
BDO Audit Pty Ltd	\$	\$
Audit and/or review of financial statements		
Fee for the review of the financial report for half year period ended 31 December	33,150	19,000
Fee for the audit of the financial report for the year ended 30 June	58,000	45,100
Total remuneration of auditors	91,150	64,100
BDO Audit Pty Ltd related firm		
Other service		
Non - assurance services relating to R&D assistance	11,189	8,615

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17. INTEREST IN CONTROLLED ENTITIES AND JOINT VENTURES

Name of entity	Principal place of business / country of incorporation	Ownership interest	
		2024 %	2023 %
Parent entity			
Papyrus Australia Ltd (a)	Australia		
Subsidiaries			
Papyrus Technology Pty Ltd (b)	Australia	100	100
PPY Manufacturing Pty Ltd (b)	Australia	100	100
Australian Advanced Manufacturing Centre Pty Ltd (b)	Australia	100	100
Joint Venture			
Papyrus Egypt LLC	Egypt	50	50
Associate			
Egypt Banana Fiber Company	Egypt	39.22	39.22

*The percentage of ownership interest held is equivalent to the percentage voting rights for all subsidiaries.

- Papyrus Australia Ltd is the head entity within the tax-consolidated group.
- These companies are members of the tax-consolidated group.

18. FINANCIAL RISK MANAGEMENT

Categories of financial instruments

The totals for each category of financial instruments, measured in accordance with the Accounting Standards as detailed in the accounting policies to these financial statements, are as follows:

	Note	Consolidated Group	
		2024	2023
		\$	\$
Financial assets			
Cash and cash equivalents	5	366,971	425,003
Trade and Other receivables	6	1,219,316	1,559,071
Total financial assets		1,586,287	1,984,074
Financial Liabilities			
Financial liabilities at amortized cost			
Trade and payables	10	584,888	201,791
Total financial liabilities		584,888	201,791

Credit risk

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a financial loss to the Group.

The Group has adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from activities.

The Group does not have any significant credit risk exposure to any single counterparty or any Group of counterparties having similar characteristics. The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Group's maximum exposure to credit risk.

Market risk

- Cash flow interest rate sensitivity

The Group is exposed to interest rate risk as it holds some bank deposits at floating rates.

The Group's policy is to minimize interest rate cash flow risk exposures on long-term financing. Longer-term deposits are therefore usually at fixed rates. At the reporting date, the Group is exposed to changes in market interest rates through its short-term bank deposits, which are subject to variable interest rates.

- Financial instrument composition and maturity analysis

The Group is not materially exposed to any effects on changes in interest rates. As disclosed at note 10, the Group has 2 borrowing facilities in place, totaling \$417,011 outstanding as at the reporting date 30 June 2024 (2023: nil). The borrowings are of a short term nature with interest rate ranging 12%-15% per annum, payable when the loans are discharged.

Trade payables are often settled within a 30-day credit term and classified as current liabilities.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

Ultimate responsibility for liquidity risk management rests with the Board of Directors, who have built an appropriate liquidity risk management framework for the management of the

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Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by monitoring cash flows forecasts and ensuring that the Group's operations are adequate to meet liabilities due.

19. RELATED PARTIES

(a) Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favorable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Talisker (SA) Pty Ltd ("Talisker") an entity associated with Mr Ramy Azer, in 2012 entered into an agreement with the Company to provide a draw down facility of \$250,000. The unsecured loan during the year represents the draw down from the facility as at 2024: \$0 (2023: \$0). The loan is unsecured and repayable from future revenues or proceeds from future equity raisings, subject to not materially prejudicing the ability of the Company to repay its creditors. The interest bearing is at the rate of interest payable by the National Australia Bank Limited on 'Usaver savings accounts' or, '12month term deposits' (whichever is greater) plus one percent (1%) and is considered payable at the time the loan is repaid. Talisker was subsequently deregistered and a new loan agreement on the same terms was entered into with Mr Ramy Azer in August 2024.

As at 30 June 2024, the accrued interest of \$40,867 associated with the loan historically is still outstanding. The interest was agreed between the parties to be paid only when the group makes sufficient profit. This interest portion was presented in the financial statement of the Group within the 'Trade and other payables' a current liability as disclosed at note 10(b).

Furthermore, included in Sundry payables and accrued expense was \$1,033 payable to Mr V. Rigano, a Non-Executive Director. The payable was short-term in nature and no interest is payable and is related to reimbursement of expenses.

On the 29 July 2023, the Company entered into a services deed with Mr Pascal Gouel through CC&C Pty Ltd to provide services with a remuneration of \$50,000 per annum. The deed had no fixed term and may be terminated by either party with 30 days' notice in writing. On 30 June 2024 Mr Gouel retired as a director.

(b) Interests of Key Management Personnel (KMP)

Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

For details of Key Management Personnel's interests in shares and options of the Company, refer to Key Management Personnel disclosures in the Remuneration Report contained in the Directors' Report.

The following individuals are classified as key management personnel in accordance with AASB 124 'Related Party Disclosures'.

Mr Al Jawhari	Executive Chairman (appointed 4 June 2024)
Mr Edward Byrt	Non-Executive Director
Mr David Attias	Non-Executive Director
Mr Vincent Peter Rigano	Non-Executive Director and Company Secretary
Mr Pascal Gouel	Executive Director (retired 30 June 2024)
Mr Daniel Schmidt	Chief Executive Officer
Mr Peter Rostig	Manager Engineering (who resigned in 2023 is available to assist the company when required)

20. KEY MANAGEMENT PERSONNEL DISCLOSURES

Totals of remuneration paid

Key management personnel remuneration included within employee expenses for the year is shown below:

	Consolidated Group	
	2024	2023
	\$	\$
Short-term employee benefits	195,162	340,000
Post-employment benefits	18,564	35,683
Share based payments	-	-
Total remuneration paid to key management personnel	213,726	375,683

The audited remuneration report contained in the Directors' Report contains details of the remuneration paid or payable to each member of the Group's key management personnel for the year ended 30 June 2024.

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On 29 July 2023, the Company entered into a services deed with CC&C Pty Ltd for consultancy services rendered by Mr Pascal Gouel as Company Director, with a remuneration of \$50,000 per annum (2023: nil). The deed has no fixed term and may be terminated by either party with 30 days' notice in writing. On 30 June 2024 Mr Gouel retired as a director of the board and the Company has a payable to CC&C Pty Ltd of \$27,500 for services he rendered during the year.

Other key management personnel transactions

For details of other transactions with key management personnel, refer to Note 19: Related Parties.

21. PARENT ENTITY

The following information has been extracted from the books and records of the parent, Papyrus Australia Ltd and has been prepared in accordance with Accounting Standards.

The financial information for the parent entity, Papyrus Australia Ltd has been prepared on the same basis as the consolidated financial statements except as disclosed below.

Investments in subsidiaries, associates and joint ventures

Investments in subsidiaries, associates and joint venture entities are accounted for at cost in the financial statements of the parent entity. Dividends received from associates are recognized in the parent entity profit or loss, rather than being deducted from the carrying amount of these investments.

	Consolidated Group	
	2024	2023
	\$	\$
Statement of Financial position		
Assets		
Current assets	1,594,357	1,990,141
Non-current assets	1,127,567	692,136
Total Assets	2,721,924	2,682,277
Liabilities		
Current Liabilities	584,888	201,791
Non-current liabilities	-	-
Total liabilities	584,888	201,791
Equity		
Issued capital	26,452,781	26,372,581
Accumulated losses	(25,607,643)	(24,963,583)

Reserves	1,291,898	1,071,488
Total equity (deficit)	2,137,036	2,480,4868
Statement of Profit or Loss and other Comprehensive Income		
Total loss for the year	(644,060)	(1,503,598)
Other comprehensive loss	-	-
Total comprehensive loss	(644,060)	(1,503,598)

Contingent liabilities

Contingent liabilities of the parent entity have been incorporated into the Group information in Note 15. The contingent liabilities of the parent are consistent with that of the Group.

Contractual commitments

There are no contractual commitments of the parent entity at 30 June 2024 (30 June 2023: nil).

22. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

The settlement of investor borrowings as disclosed in Note 10 of the financial statements.

On 12 August 2024, a new loan agreement was entered into with Ramy Azer as disclosed in Note 19 (a) of the financial statements.

On 19 September 2024, Perfection Australia Group Pty Ltd ('PAG') and BPE Investments Pty Ltd ('BPE') (together the 'Plaintiffs') filed a Summons in the Supreme Court of New South Wales against Papyrus Australia Limited ('Papyrus'), and all board members, the Plaintiffs have sought to obtain specific performance to appoint two directors (namely, Jim Huang & Nicholas Anthony Di Girolamo) to the Board of Papyrus and for the resignation of Byrt and Rigano as directors from the Board pursuant to the terms of an agreement entitled 'Papyrus Services and Loan Agreement' between Papyrus and the Plaintiffs dated 9 April 2024 ('Services and Loan Agreement'). The Board is currently reviewing the Summons and is considering its options.

There have been no other significant matters subsequent to the end of the financial year.

Consolidated entity disclosure statement

For the year ended 30 June 2024

Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001. It includes certain information for each entity that was part of the consolidated entity at the end of the financial year.

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 defines tax residency as having the meaning in the Income Tax Assessment Act 1997. The determination of tax residency involves judgement as there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency. It should be noted that the definitions of 'Australian resident' and 'foreign resident' in the Income Tax Assessment Act 1997 are mutually exclusive. This means that if an entity is an 'Australian resident' it cannot be a 'foreign resident' for the purposes of disclosure in the CEDS.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Tax Commissioner's public guidance in Tax Ruling TR 2018/5.

Foreign tax residency

Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in determining tax residency and ensure compliance with applicable foreign tax legislation.

Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Tax residency
Papyrus Australia Ltd	Body Corporate	Australia	-	Australia
Papyrus Technology Pty Ltd	Body Corporate	Australia	100.00%	Australia
PPY Manufacturing Pty Ltd	Body Corporate	Australia	100.00%	Australia
Australian Advanced Manufacturing Centre Pty Ltd	Body Corporate	Australia	100.00%	Australia

The directors of the Group declare that:

1. **the financial statements and notes for the year ended 30 June 2024 are in accordance with the Corporations Act 2001 and:**
 - a. comply with Australian Accounting Standards, which, as stated in accounting policy Note 1 to the financial statements, constitutes explicit and unreserved compliance with International Financial Reporting Standards; and
 - b. give a true and fair view of the financial position and performance of the consolidated group;
2. **the acting Chief Executive Officer and Company Secretary have given the declarations required by Section 295A that:**
 - a. the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
 - b. the financial statements and notes for the financial year comply with the Accounting Standards; and
 - c. the financial statements and notes for the financial year give a true and fair view.
3. **In the director's opinion, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable.**
4. **The information disclosed in the attached consolidated entity disclosure statement is true and correct.**

This declaration is made in accordance with a resolution of the Board of Directors.



Al Jawhari

Chairman

27th September 2024

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAPYRUS AUSTRALIA LIMITED

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Papyrus Australia Limited (the Company) and its subsidiaries (the Group), which comprises the consolidated statement of financial position as at 30 June 2024, 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 year then ended, and notes to the financial report, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion the accompanying financial report of the Group, is in accordance with the Corporations Act 2001, including:

- Giving a true and fair view of the Group's financial position as at 30 June 2024 and of its financial performance for the year ended on that date; and
- Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report. We are independent of the Group in accordance with 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 our audit of the 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 in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty related to going concern

We draw attention to Note 1(a) 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 opinion is not modified in respect of this matter.

BDO Audit Pty Ltd ABN 33 134 022 870 is a member of a national association of independent entities which are all members of BDO Australia Ltd ABN 77 050 110 275, an Australian company limited by guarantee. BDO Audit Pty Ltd and BDO Australia Ltd are members of BDO International Ltd, a UK company limited by guarantee, and form part of the international BDO network of independent member firms. Liability limited by a scheme approved under Professional Standards Legislation.



Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report of the current period. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Investment accounted for using the equity method

Key audit matter	How the matter was addressed in our audit
As disclosed in Note 9, the Group has a total direct and indirect shareholding in Papyrus Egypt of 69.61%. This is a key audit matter because of the significant management judgement involved in the assessment of whether the Group has control over its investment in Papyrus Egypt and the consequential accounting implications.	Our audit procedures to address the matter included, amongst others: <ul style="list-style-type: none"> Reviewing shareholder and other relevant documents to assess control vs joint control evaluation. Confirming the Group's interest in each investee entity. Evaluating the Group's accounting for its investments for consistency with Australian Accounting Standards, including the appropriateness of the equity method. Assessing the appropriateness and accuracy of the disclosures to the financial statements in accordance with the applicable Australian Accounting Standards.

Other information

The directors are responsible for the other information. The other information comprises the information contained in the Directors' report and letter from the Chairman for the year ended 30 June 2024, but does not include the financial report and our auditor's report thereon, which we obtained prior to the date of this auditor's report, and the annual report, which is expected to be made available to us after that date.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors and will request that it is corrected. If it is not corrected, we will seek to have the matter appropriately brought to the attention of users for whom our report is prepared.

Responsibilities of the directors for the Financial Report

The directors of the Company are responsible for the preparation of:

- a) the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and
- b) the consolidated entity disclosure statement that is true and correct in accordance with the Corporations Act 2001, and

for such internal control as the directors determine is necessary to enable the preparation of:

- i) the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ii) the consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website (<http://www.auasb.gov.au/Home.aspx>) at: https://www.auasb.gov.au/admin/file/content102/c3/ar1_2020.pdf

This description forms part of our auditor's report.

ASX Additional Information

Additional information required by the Australian Stock Exchange Limited and not shown elsewhere in the report follows. The information is current as at 7 October 2024.

Distribution of equity securities

Ordinary share capital

- 492,692,593 Fully paid ordinary shares are held by 1,788 individual shareholders.

All issued ordinary shares carry one vote per shares.

Options

- 76,610,222 Options are held by 17 individual option holders.

The number of shareholders, by size of holding, in each class are:

	Fully Paid	Unquoted Options
1-1,000	108	0
1,001 - 5000	238	0
5,001 - 10,000	246	0
10,001 - 100,000	875	0
100,001 and over	321	17
	1,788	17
Holding less than a marketable parcel	1,237	0

Substantial shareholders

	Fully paid	
	Number	Percentage
Certane Ct Pty Ltd <L39 Capital>	70,250,000	14.26
BIJO(SA) Pty Ltd <Azer Family A/C>	30,756,400	6.24
Mr Ramy Azer <Azer Family A/C>	30,137,489	6.12
Rondelle Pty Ltd <MI & He Craig Super Fund A/C>	28,289,770	5.74
Stroud Nominees Pty Ltd <Byrt Super Fund A/C>	25,241,829	5.12
	184,675,488	37.48

Twenty largest holders of quoted equity securities

	Fully Paid Ordinary Shares	
	Number	Percentage
Certane Ct Pty Ltd <L39 Capital>	70,250,000	14.26
BIJO(SA) Pty Ltd <Azer Family A/C>	30,756,400	6.24
Mr Ramy Azer <Azer Family A/C>	30,137,489	6.12
Rondelle Pty Ltd <MI & He Craig Super Fund A/C>	28,289,770	5.74
Stroud Nominees Pty Ltd <Byrt Super Fund-Em Byrt A/C>	16,456,061	3.34
Union Pacific Equities Pty Ltd	15,590,000	3.16
Fay Fuller Foundation Pty Ltd <Fay Fuller Foundation A/C>	12,198,864	2.48
V P Rigano & Co Pty Ltd	11,625,445	2.36
BNP Paribas Noms Pty Ltd	11,508,304	2.34
Mr Karim Mohamed Hamdouh Abbas	11,125,000	2.26
Mr Stevo Hinic	9,910,091	2.01
Stroud Nominees Pty Ltd <Byrt Super Fund A/C>	8,785,768	1.78
Mr Ehab Amir Nakhla Hennes	7,512,712	1.52
Mr Anthony Richard Lewis <Est Helen Joyce Schicha A/C>	7,097,359	1.44
Mr David Robert Woodward	6,513,401	1.32
Mr Paul Lapere	6,109,751	1.24
BPE Investments Pty Ltd	6,042,006	1.23
Mr Djorde Belosevic	5,554,811	1.13
Mr Con Tsakalis	5,400,000	1.10
Hennes Pty Ltd <Hennes Superannuation A/C>	4,550,000	0.92
	305,413,232	61.99

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