

# Appendix 4D

## Requirements

### Results for announcement to the market

	31 December 2024 \$A	31 December 2023 \$A	change	Percentage change
Revenues from ordinary activities	-	-	-	-
Profit / (loss) from ordinary activities after tax attributable to the members	(1,039,874)	(234,096)	up	344%
Profit / (loss) for the period attributable to members	(1,039,874)	(234,096)	up	344%

#### **Dividends (distributions)**

No dividend has been paid during the period ended 31 December 2024

The directors have not proposed a dividend for the period ended 31 December 2024

Net Tangible Assets Per- Security - cents	\$ 0.003	\$ 0.005
--	-------------	-------------

# **Papyrus Australia Ltd**

**ABN 63 110 868 409**

## **Half Year Report**

**for the half year ended 31 December 2024**

## Contents to Half Year Report

<b>Directors' Report</b> .....	3
<b>Auditor's Independence Declaration</b> .....	7
<b>Consolidated statement of profit or loss and other comprehensive income</b> .....	8
<b>Consolidated statement of financial position</b> .....	9
<b>Consolidated statement of changes in equity</b> .....	10
<b>Consolidated statement of cash flows</b> .....	11
<b>Notes to the Financial Statements</b> .....	12
<b>Directors' Declaration</b> .....	18
<b>Independent Auditor's Review Report</b> .....	19

## Directors' Report

### For the half year ended 31 December 2024

#### For the Period ended 31 December 2024

The Directors of Papyrus Australia Ltd ('Papyrus') present their Report together with the financial statements of the consolidated entity, being Papyrus Australia Ltd ('the Company') and its controlled entities ('the Group') for the half year ended 31 December 2024.

#### Director Details

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

- Mr Al Jawhari Director (appointed 1 July 2024) Executive Chairman (16 July 2024)
- Mr David Attias, Non-Executive Director
- Mr Vincent Rigano, Non-Executive Director and Company Secretary
- Mr Brad Lemmon, Non -Executive Director (appointed 02 October 2024)
- Mr Nick Di Girolamo Non -Executive Director (appointed 29 October 2024)
- Mr Jim (Zhaojing) Huang, Non -Executive Director (appointed 08 November 2024)
- Mr Edward Byrt, Chairman (retired 18 November 2024)

## Review of Operations

#### Highlights

- Papyrus Australia signed a Terms Sheet with Thanh Dung Co in Vietnam
- New Services Engagement with L39 to support the Vietnam project
- Commercialisation model
- Strengthening Papyrus Australia Board of Directors with commercialisation focus
- Papyrus receives research and development tax incentive funds in Australia
- Papyrus registered a provisional patent application to extend the application of its technology

#### Commercialisation

1. In October Papyrus signed a Terms Sheet with Thanh Dung Co Ltd in Vietnam for a Joint Venture production facility that will see the commercialising and deployment of Papyrus' latest patent pending Phase 2 technology. This collaboration is a significant opportunity for Papyrus Australia to continue the expansion of our innovative technology to transform banana plantation agriwaste into moulded fibre packaging in Vietnam. Thanh Dung Co is a diversified manufacturing company with a significant carton-board production capacity utilizing recycled cardboard and wastepaper. With access to 13,000 hectares of banana plantations around the Hai Duong Province, the site has sufficient raw material for the initial development stage and there is significant potential for expansion on the same site. The project feasibility and due diligence continues and we expect this to be completed in FY25.

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

### **For the Period ended 31 December 2024**

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

2. Papyrus engaged cornerstone investor L39 Capital Pty Ltd to support the development and delivery of the Joint Venture (JV) agreement with Thanh Dung Co in Vietnam. L39 can leverage its extensive network of investors to secure the necessary funding for the execution of the JV and further commercialisation projects. L39 will support completion of the project feasibility and due diligence activity.
3. The commencement of production in Egypt under the joint venture has demonstrated the potential of the Papyrus model to deliver customised facilities and local manufacturing solutions. This achievement highlights the long-term economic, environmental, and social value we strive to offer future partners and affirms our commitment to pioneering transformative global technology.
4. The productive facility in Egypt along with the ongoing R&D and the development of PPY Phase 2 technology enabled PPY to progress engagement in 2024 with several parties seeking to commercialise our technology.
5. The projects horizon for 2025 includes the Phase 2 technology prototype and then the establishment of the Phase 2 Technology commercial demonstration plant in Australia in addition to the development of the PPY JV commercial plant in Vietnam. Further details about the Papyrus Commercialisation Roadmap can be found in this link: [Papyrus Commercialisation Roadmap November-2024](#)

#### **The Board of Directors**

6. In July 2024, Executive Director Mr Al Jawhari was appointed as Executive Chair of Papyrus Australia. Mr Jawhari is contributing his significant global commercial experience to the progression of PPY R&D activities, product development, commercialisation and enhancing operational efficiency to drive growth for the company and deliver value to customers and stakeholders.
7. Mr Edward Byrt retired as Chair of the Papyrus Board in July and remained a non-Executive Director of the Company until his subsequent retirement in November. Mr Byrt served as Chair from 2009, tirelessly working alongside the Board to oversee the complex relocation and transition to Egypt, the establishment of PPYEg and a significant period of technology development. This established robust foundations for PPY to undertake the 2024 Phase 2 technology development that supports the global opportunities ahead for Papyrus.
8. Three non-Executive Directors were appointed to the Papyrus Australia Board, with Mr Brad Lemmon and Mr Nick Di Girolamo joining in October and Mr Jim (Zhaojing) Huang joining in November.

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

### **For the Period ended 31 December 2024**

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

9. Mr Brad Lemmon brings over 30 years' experience in materials, waste recovery and recycling industries, spanning operations, logistics, commercialisation and capability integration progressing strategy to execution with an international footprint.
10. Mr Nick Di Girolamo is a solicitor and high-stake commercial negotiator, bringing commercial and financial management skills and strategic growth experience from a diverse portfolio of industries.
11. Mr Jim Huang is a Mechanical Engineer with a unique blend of expertise in the Asia-Pacific region spanning engineering, technology, finance and risk management and experience in cross-border M&A, corporate advisory, capital-raising and introducing innovative technologies in the waste processing and recycling sectors.

#### **Research and Development funding**

12. Papyrus is registered for the Australian Government Research and Development Tax Incentives Program (R&DTI). The programs aim is to encourage research and development within Australia to improve productivity across the Australian economy.
13. In October Papyrus Australia received a tax refund of \$332k from the Australian Government R&DTI for FY24 expenditure on R&D activities in Australia and overseas related to both Phase 1 and 2 of its technology. Following the repayment of the R&DTI loans with Radium Capital, the net proceeds that Papyrus received was \$53k.

#### **Patents**

14. In August, Papyrus registered a provisional patent application for the Papyrus technology to 'Produce a Mouldable Cellulosic Fibrous Pulp, to support the protection of PPY intellectual property. This new patent represents a significant advancement in our proprietary technology and will extend the application into food contact grade packaging and other advanced packaging applications.
15. This important step advanced the PPY technology research and development into Phase 2 to diversify and expand our product offerings and open new market opportunities to leverage our sustainable, environmentally friendly technology.

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

16. Following the shareholder approval of the Consolidation process in 2023, the Group then progressed with PPY engaging a local Egyptian Law firm to carry out the remaining necessary legal and financial due diligence of the proposed transaction which at the reporting period are still ongoing.

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

### **For the Period ended 31 December 2024**

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

##### **Legal**

17. PPY received a summons brought against PPY and the directors in September, from investors Perfection Australia Group Pty Ltd and BPE Investments Pty Ltd, regarding the terms of a Services and Loan Agreement entered earlier this year. The legal proceedings were officially dismissed in December by consent.

##### **Corporate Activities**

18. During the reporting period, \$309,175 was raised from sophisticated shareholders. In addition, at the 2024 AGM shareholders approved the issue of 25,000,000 shares to the Executive Chairman which were valued at \$275,000. 12,500,000 shares were available to trade immediately upon issue and the remaining is held in escrow for a 12 month period since issuance.


19. The AGM was held on 27 November 2024 with all 12 resolutions carried.

20. The Company is meeting expenses as and when they fall due and there are no known unbudgeted expense items. The Directors have continued to forgo their remuneration.

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

A copy of the auditor's independence declaration as required under s307C of the Corporations Act 2001 is included on page 7 of this financial report and forms part of this Directors' report.

Signed in accordance with a resolution of the directors.



Mr Al Jawhari  
Chairman  
28 February 2025



Tel: +61 8 7324 6000  
Fax: +61 8 7324 6111  
www.bdo.com.au

BDO Centre  
Level 7, 420 King William Street  
Adelaide SA 5000  
GPO Box 2018 Adelaide SA 5001  
Australia

DECLARATION OF INDEPENDENCE  
BY LINH DAO  
TO THE DIRECTORS OF PAPYRUS AUSTRALIA LIMITED

As lead auditor for the review of Papyrus Australia Limited for the half-year ended 31 December 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 review; and
2. No contraventions of any applicable code of professional conduct in relation to the review.

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

A handwritten signature in blue ink, appearing to read 'Linh Dao', with a long, sweeping tail extending to the right.

Linh Dao  
Director

BDO Audit Pty Ltd

Adelaide, 28 February 2025



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

For the Period ended 31 December 2024

	Note	Consolidated Group	
		31 December 2024 \$	31 December 2023 \$
Other income		191,978	336,621
Consultancy expense		(48,817)	(128,230)
Depreciation expense		(1,061)	(1,062)
Employee benefit expense		(104,953)	(133,637)
Share based payment expense		(331,861)	(220,410)
Insurance costs		(21,005)	(20,154)
Travel & accommodation		(26,652)	(15,257)
Other expenses		(571,061)	(214,209)
Share of net profit of associate and joint venture		(126,442)	162,242
<b>Profit/(loss) before income tax benefit</b>		<b>(1,039,874)</b>	<b>(234,096)</b>
Income tax expense		-	-
<b>Profit/(loss) for the period</b>		<b>(1,039,874)</b>	<b>(234,096)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(1,039,874)</b>	<b>(234,096)</b>
Profit/(loss) attributable to the parent		(1,039,874)	(234,096)
Profit/(loss) attributable to non-controlling interest		-	-
<b>Profit/(loss) for the period</b>		<b>(1,039,874)</b>	<b>(234,096)</b>
Total comprehensive income attributable to the parent		(1,039,874)	(234,096)
Total comprehensive income attributable to non-controlling interest		-	-
<b>Total comprehensive income for the year</b>		<b>(1,039,874)</b>	<b>(234,096)</b>
<b>Earnings per share:</b>		<i>Cents</i>	<i>Cents</i>
Basic earnings per share		(0.18)	(0.05)
Diluted earnings per share		(0.18)	(0.05)

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

## Consolidated statement of financial position

As at 31 December 2024

		<b>Consolidated Group</b>	
		<b>31 December 2024</b>	<b>30 June 2024</b>
		<b>\$</b>	<b>\$</b>
<b>Note</b>			
	<b>CURRENT ASSETS</b>		
	Cash and cash equivalents	267,865	366,971
6	Trade and other receivables	780,121	1,219,316
9	Prepayment	161,409	8,070
	<b>TOTAL CURRENT ASSETS</b>	<b>1,209,395</b>	<b>1,594,357</b>
	<b>NON-CURRENT ASSETS</b>		
	Property, plant & equipment	3,812	4,873
7	Investments accounted for using the equity method	965,729	1,122,694
	<b>TOTAL NON-CURRENT ASSETS</b>	<b>969,541</b>	<b>1,127,567</b>
	<b>TOTAL ASSETS</b>	<b>2,178,936</b>	<b>2,721,924</b>
	<b>CURRENT LIABILITIES</b>		
8	Trade and other payables	308,135	584,888
	<b>TOTAL CURRENT LIABILITIES</b>	<b>308,135</b>	<b>584,888</b>
	<b>TOTAL LIABILITIES</b>	<b>308,135</b>	<b>584,888</b>
	<b>NET ASSETS</b>	<b>1,870,801</b>	<b>2,137,036</b>
	<b>EQUITY</b>		
9	Issued capital	27,036,956	26,452,781
10	Reserves	1,481,362	1,291,898
	Accumulated losses	(26,647,517)	(25,607,643)
	Total equity attributed to owners of the parent	1,870,801	2,137,036
	<b>TOTAL EQUITY</b>	<b>1,870,801</b>	<b>2,137,036</b>

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

## Consolidated statement of changes in equity

### For the Period ended 31 December 2024

Note	Issued Capital \$	Accumulated losses \$	Share Option Reserve \$	Total \$
Balance at 1 July 2023	26,372,581	(24,963,583)	1,071,488	2,480,486
<i>Comprehensive income</i>	-	-	-	-
Profit/(loss) for the period	-	(234,096)	-	(234,096)
<b>Total comprehensive income for the period</b>	-	(234,096)	-	(234,096)
<i>Total transactions with owners, in their capacity as owners, and other transactions</i>				
Share issued to sophisticated investors 4 September 2023	75,200	-	-	75,200
Conversion of unlisted options 20 October 2023	5,000	-	-	5,000
Share based payments	-	-	220,410	220,410
Total transactions with owners and other transactions	80,200	-	220,410	300,610
Balance at 31 December 2023	26,452,781	(25,197,678)	1,291,898	2,547,000
<b>Balance at 1 July 2024</b>	26,452,781	(25,607,643)	1,291,898	2,137,036
<i>Comprehensive income</i>				
Other comprehensive income	-	-	-	-
Profit/(loss) for the year	-	(1,039,874)	-	(1,039,874)
<b>Total comprehensive income for the period</b>	-	(1,039,874)	-	(1,039,874)
Shares issued to sophisticated investors 20 November 2024	250,000	-	-	250,000
Shares issued to sophisticated investors 6 December 2024	59,175	-	-	59,175
Shares issued to related party as part of salary 18 December 2024	275,000	-	-	275,000
Share based payments	-	-	189,464	189,464
Total transactions with owners and other transactions	584,175	-	189,464	773,639
Total equity of parent at 31 December 2024	27,036,956	(26,647,517)	1,481,362	1,870,801

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

## Consolidated statement of cash flows

### For the Period ended 31 December 2024

	Consolidated Group	
	31 December 2024 \$	31 December 2023 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Payments to suppliers and employees	(439,996)	(548,911)
Receipts Tax Incentives	53,198	268,314
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b>(386,798)</b>	<b>(280,597)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Loan made to joint venture entity	-	(430,705)
Loan repayments from joint venture entity	-	367,408
Payments for property, plant and equipment	-	4,829
<b>NET CASH PROVIDED BY / (USED IN) INVESTING ACTIVITIES</b>	<b>-</b>	<b>(58,468)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from issue of shares and options	-	85,000
Transaction costs from issue shares & options	-	(4,800)
Proceeds from R&D borrowings	287,692	163,897
Interest on R&D Borrowings	-	(5,039)
<b>NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES</b>	<b>287,692</b>	<b>239,058</b>
Net (decrease)/increase in cash and cash equivalents	(99,106)	(100,006)
Cash at the beginning of the financial period	366,971	425,003
<b>CASH AT THE END OF THE FINANCIAL PERIOD (*)</b>	<b>267,865</b>	<b>324,997</b>

(\*) Cash includes a restricted balance of \$239,493 held in Papyrus Manufacturing Pty Ltd, a wholly owned subsidiary of the Group in Egypt (30 June 2024: \$239,524). Due to legal restrictions, 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.

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

## Notes to the Financial Statements

For the Period ended 31 December 2024

### 1. Nature of operations

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

### 2. General information and basis of preparation

The consolidated financial statements (the interim financial statements) of the Group are for the six months ended 31 December 2024 and are presented in Australian dollars (\$), which is the functional currency of the parent company. These general purpose interim financial statements have been prepared in accordance with the requirements of the Corporations Act 2001 and AASB 134 Interim Financial Reporting. They do not include all of the information required in annual financial statements in accordance with Australian Accounting Standards and should be read in conjunction with the consolidated financial statements of the Group for the year ended 30 June 2024 and any public announcements made by the Group during the half-year in accordance with continuous disclosure requirements arising under the Australian Securities Exchange Listing Rules and the Corporations Act 2001. The Company is a for-profit entity for the purpose of preparing its financial statements.

#### Going Concern

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

As presented in the financial statements, the Group incurred a loss before comprehensive income of \$1,039,874 and had net cash outflows from operating activities of \$386,798 for the half year period ended 31 December 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 sale of fibre to the Egyptian Government project and the offtake contract income for the sale of output generated by Egyptian Government project.

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

The interim financial statements have been approved and authorised for issue by the board of directors on 28 February 2025.

## Notes to the Financial Statements (cont.)

For the Period ended 31 December 2024

### 3. Significant accounting policies

The interim financial statements have been prepared in accordance with the same accounting policies adopted in the Group's last annual financial statements for the year ended 30 June 2024.

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

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

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

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

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

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

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

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

## **Notes to the Financial Statements (cont.)**

**For the Period ended 31 December 2024**

### **4. Estimates**

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

The critical estimates and judgements are consistent with those applied and disclosed in the 30 June 2024 annual report

### **5. Operating segments**

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

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

## Notes to the Financial Statements (cont.)

For the Period ended 31 December 2024

### 6. Trade and other receivables

		Consolidated Group	
		31 December 2024	30 June 2024
		\$	\$
CURRENT			
Other receivables	6(a)	571,226	873,879
R&D incentive receivables		196,020	336,437
GST recoverable		12,875	9,000
Total		780,121	1,219,316

6(a) Other Receivables represents amounts receivable from Papyrus Egypt. The balance is interest free and repayable on demand. The group has a service agreement in place with Papyrus Egypt and consideration payable by the Group under this service agreement has been offset against the receivable outstanding.

### 7. Investments

		Consolidated Group	
		31 December 2024	30 June 2024
		\$	\$
Investment accounted for using the equity method		965,729	1,122,694
		965,729	1,122,694

#### Investments accounted for using the equity method

Name	Classification	Place of Business/ Incorporation	Proportion of Ordinary Share Interests/ Participating Shares		Measurement Method	Carrying amount	
			31 December 2024	30 June 2024		31 December 2024	30 June 2024
Egyptian Banana Fibre Company	Associate	Sohag, Egypt	39.22%	39.22%	Equity method		
Papyrus Egypt	Joint Venture	Sohag, Egypt	50%	50%	Equity method	965,729	1,122,694

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

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



## Notes to the Financial Statements (cont.)

For the Period ended 31 December 2024

### 7. Investments (Continued)

During the half year ended 31 December 2024, the Group recognised a loss of \$126, 442 with regard to its net share of losses in the joint venture company (31 December 2023 a profit of \$162,242).

### 8. Other liabilities

	Consolidated Group	
	31 December 2024	30 June 2024
	\$	\$
<b>Current</b>		
Payables	68,231	50,512
Sundry payables & accrued expenses	108,758	117,365
R&D borrowings	131,146	107,836
Investor borrowings	-	309,175
Total non-current other liabilities	308,135	584,888

During the period, the investor borrowings were extinguished and settled through issuing shares to sophisticated investors as disclosed in note 9.

### 9. Share capital

	Consolidated Group	
	31 December 2024	30 June 2024
	\$	\$
552,045,370 fully paid ordinary shares (30 June 2024: 492,692,593)	27,036,956	26,452,781
	27,036,956	26,452,781
	<b>2024</b>	
	<b>Number</b>	<b>\$</b>
<b>Ordinary shares</b>		
Balance at beginning of period (1 July 2024)	492,692,593	26,452,781
Shares issued to sophisticated investors 20 November 2024	27,777,777	250,000
Shares issued to sophisticated investors 6 December 2024	6,575,000	59,175
Shares issued to related party as part of salary 18 December 2024	25,000,000	275,000
Balance at end of period (31 December 2024)	552,045,370	26,986,956

Share issued to related party as part of salary 18 December 2024 related to remuneration awarded to the Executive Chairman. The shares were issued during the period, and 12,500,000 shares were available to trade freely. 12,500,000 shares were restricted for a period of 12 month since issue date. These have been assessed as share-based payments within the scope of AASB 2 and accounted for accordingly in this half-year financial report. Expenses related to the shares held in escrow during the service period is recognised as prepayment initially and expensed to the profit or loss accordingly. As at reporting date, \$132,603 of \$ 161,409 prepayments were related to this share-based payment transaction.

## Notes to the Financial Statements (cont.)

For the Period ended 31 December 2024

### 10. Reserves

	<b>31 December 2024</b>
<b>Reserve</b>	<b>\$</b>
Balance at 1 July 2024	1,291,898
Share based payments	189,464
Balance at end of financial period	<u>1,481,362</u>

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

### 11. Subsequent events

Subsequent to the reporting date: -

- The Group undertook a capital raise for \$150,000.
- Issued orders for prototype equipment associated with phase two technology development and paid deposits of \$38,000

There have been no other significant matters subsequent to the end of the reporting date.

### 12. Contingent liabilities and commitments

There are no contingent liabilities.

## **Directors Declaration**

### **For the Period ended 31 December 2024**

In the opinion of the directors of Papyrus Australia Ltd:

- (a) the consolidated financial statements and notes of Papyrus Australia Ltd are in accordance with the Corporations Act 2001, including:
  - (i) giving a true and fair view of its financial position as at 31 December 2024 and of its performance for the half-year ended on that date; and
  - (ii) comply with Accounting Standard AASB 134 *Interim Financial Reporting*; and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Mr Al Jawhari  
Chairman  
28 February 2025

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

### Report on the Half-Year Financial Report

#### Conclusion

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

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

- i. Giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the half-year ended on that date; and
- ii. Complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

#### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to the audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* which has been given to the directors of the Company, would be the same terms if given to the directors as at the time of this auditor's review report.

#### Material uncertainty relating to going concern

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



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

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is true and fair and is free from material misstatement, whether due to fraud or error.

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

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2024 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting and the Corporations Regulations 2001*.

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

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

BDO Audit Pty Ltd

A handwritten signature in blue ink that reads 'Linh Dao'.

Linh Dao  
Director

Adelaide, 28 February 2025