



AUSTRALIA  
Papyrus

Papyrus Australia Ltd  
Annual Report 2025

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*Commercialising technology to convert banana plantation waste, using mechanical processes, to produce cost competitive commercial quantities of banana fibre pulp, paper, board and moulded packaging products.*

## Corporate Information



AUSTRALIA  
**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 12 to 22. The directors' report is not part of the financial report.

### Directors

**Adj. Prof. Al Jawhari**  
(Executive Chair)

**Mr Edward Byrt**  
(Non-Executive Director)  
(retired 18 November 2024)

**Mr David Attias**  
(Non-Executive Director)

**Mr Vincent Peter Rigano**  
(Non-Executive Director)

**Mr Brad Lemmon**  
(Non-Executive Director)  
(appointed 02 October 2024)

**Mr Nicholas DiGirolamo**  
(Non-Executive Director)  
(appointed 29 October 2024)  
(resigned 1 September 2025)

**Mr Jim (Zhaojing) Huang**  
(Non-Executive Director)  
(appointed 08 November 2024)  
(resigned 5 September 2025)

**Company Secretary**  
**Ms Patricia Vanni**

**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

Papyrus Australia Limited  
Annual Report for the Financial Year Ending 30 June 2025

### Dear Shareholders,

On behalf of the board of directors it is my privilege to present Papyrus Australia's Annual Report for the year ended 30 June 2025, together with an update on significant subsequent events. This has been a year of transition and achievement, as we advanced from research and development into commercialisation, secured strategic partnerships, and strengthened our financial and governance foundations.



### Technology Development

Throughout FY25, Papyrus invested heavily in scaling and refining its banana fibre processing technology. The establishment of the Rapid Prototyping and R&D Facility at the University of South Australia has been a cornerstone of this effort along with the development of capability to produce flat products with our technology.

Key developments included:

- Factory acceptance testing and shipment of moulding equipment for product prototyping, ensuring readiness for pilot-scale production.
- Engineering design, development and fabrication of the primary processing unit, a critical step in scaling up operations.
- Optimisation of pulp preparation design, delivering improvements in energy and water utilisation, consistent with our ESG-aligned objectives.
- Accelerating the product development, trials and testing for using banana fibre from the Papyrus process with flat products. This breakthrough has now enabled commercialisation.
- Papyrus has applied for several additional patents to secure the intellectual property it has developed for its technology and production process.

The Rapid Prototyping and R&D Facility will become a hub for collaboration between growers, manufacturers, customers, and technology stakeholders, positioning Papyrus as a leader in sustainable material innovation.

### Technology Commercialisation

The transition from development to commercialisation was marked by several milestones:

**Binding Term Sheet with TBS Mining Solutions:** Papyrus entered into a binding term sheet to manufacture a biodegradable version of the Collar Keeper® product. The parties are currently negotiating the terms of a long-form supply agreement. This collaboration would combine Papyrus' patented technology with TBS's technical expertise and market reach, delivering an environmentally responsible solution to the mining industry.

**Vietnam Partnership with Thanh Dung Co (TDC):** Significant progress was made toward establishing a high-volume production facility in Vietnam. With the initial feasibility studies confirming good access to raw material supply, skilled labour, energy and logistics.

**These initiatives demonstrate the scalability and global relevance of Papyrus' technology, moving us closer to revenue-generating operations.**

### Financials

The **audited statutory accounts** for the year ended 30 June 2025 reflect the Company's investment in technology development and commercialisation:

**Net loss before tax:** \$2.83 million (inclusive of impairment and other non-cash expenses).

Expenditure was primarily directed toward **R&D services, plant and equipment, staff, intellectual property protection, compliance, and overheads**, laying the foundation for future growth.

While the financial results reflect the costs of scaling and transition, the resources have been focused on providing a strong foundation in Australia for the commercialisation of Papyrus' technology.

### Funding

Papyrus strengthened its financial position during FY25 and subsequent to year-end through a combination of equity, grants, and R&DTI loans:

**During FY25:**

- **\$ 200k cash raised** from new and existing sophisticated investors and conversion of options, providing working capital and supporting the Adelaide R&D facility.
- **\$ 526k R&DTI loans** received from Radium Capital
- **\$ 332k R&DTI tax refund** received from the ATO

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#### Subsequent to FY25 (Q1 FY26):

**\$ 250k Early-Stage Commercialisation Grant** awarded under the Australian Government's Industry Growth Program.

**\$ 262k capital raised** from new and existing sophisticated investors to match the Grant funding.

This funding base underpins our commercialisation strategy, accelerates technology development, and provides the resources to pursue international opportunities.

#### Structure and Governance

To strengthen our governance and broaden our expertise as we enter commercialisation, Papyrus has restructured the board, management and contract partners to leverage high calibre people while remaining as lean as possible during the transition to commercial operations.

- Mr Daniel Schmidt was appointed as Chief Executive Officer effective 04 August 2025.
- Ms Patricia Vanni from Automic appointed Company Secretary effective 25 August 2025.
- Mr Nick Di Girolamo and Mr Jim Huang resigned from the PPY Board in September 2025.
- Mr Arthur Stavrou was appointed to the PPY Board as a Non-Executive Director effective 29 September 2025.

#### Egypt JV

Due to the complexity of operating in Egypt and in line with the accounting standards the board has decided to write down the carrying value of the investment in Egypt. The impairment does not affect Papyrus' shareholding interest in either Papyrus Egypt or EBFC.

Despite the historical complexities related to operating in Egypt the Board continues its activities to find financial, legal and commercial solutions relating to the joint venture in Egypt.

#### FY26 Outlook

Papyrus Australia enters FY26 with a strong foundation built on the achievements of FY25. The Adelaide Rapid Prototyping & R&D Facility will be fully commissioned and operational, driving technology and product innovation, process optimisation, and industry engagement. A key focus

will be validating new product applications and achieving measurable efficiency gains in pulp preparation, energy, and water use.

Commercialisation activity is increasing as the Collar Keeper® project is moving into execution with the aim of finalising the most effective path to production. This will be complemented by continued exploration of new applications in packaging, industrial and mining, and consumer products, broadening the Company's commercial pipeline.

Our key priorities include:

- Completion and operationalisation of the R&D Facility in Adelaide
- Finalisation of the negotiation of the supply agreement with TBS Mining Solutions and commencement of manufacturing for the biodegradable Collar Keeper® product
- Continued product development and market entry for banana fibre-based materials
- Strengthening our global partnerships product applications and funding base

With strengthened governance and leadership, Papyrus is positioned to deliver tangible commercial outcomes and advance its global expansion strategy.

#### Closing Remarks

FY25 has been a pivotal year for Papyrus Australia. We have advanced our technology, secured commercial agreements, strengthened our governance, and raised the funding necessary to accelerate growth. With strong foundations in place, we are now poised to deliver on the promise of our technology and create long-term value for shareholders.

On behalf of the Board and management team, I thank our shareholders for their continued support as we pursue our mission to deliver sustainable, high-performance products to global markets.

Yours sincerely,

**Adj. Prof. Al Jawhari**  
Executive Chair  
Papyrus Australia Ltd

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## Company Overview

*Papyrus Australia is commercialising technology to convert banana plantation waste, using mechanical processes, to produce cost competitive commercial quantities of banana fibre pulp, paper, board and moulded 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.



### 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.



### 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.



### Technology & Intellectual Property

Papyrus has a range of patent and trademark processes occurring to protect the innovative processes, methodologies and equipment that Papyrus has developed to efficiently convert banana plantation waste into high quality consumable products.

## 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.*

### 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.

### Replacing plastics used in food packaging

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

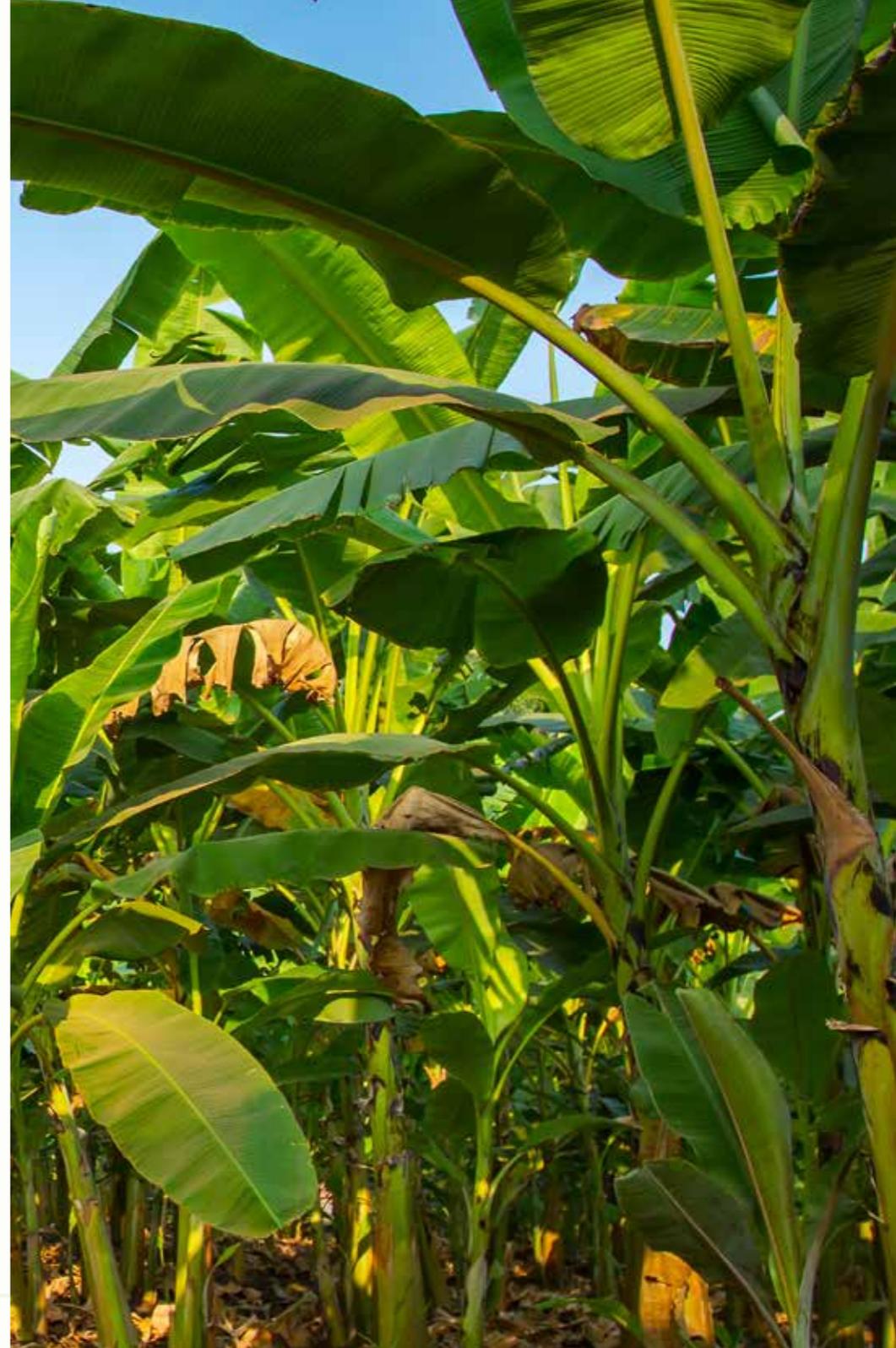
The trend is for fibre mould manufacturers to use natural feedstock such as bagasse and wood pulp, made from sugar cane and trees, however they can be expensive and energy intensive.

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 2025

## 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](http://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:

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

7. ensuring there are effective management processes in place and approving major corporate initiatives;
8. enhancing and protecting the reputation of the organisation;
9. overseeing the operation of the Group's system for compliance and risk management reporting to shareholders; and
10. 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 fulfil 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	-

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

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## Corporate Governance Statement (cont.)

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 one senior executive and has no formal process for evaluating the performance of its senior executive.

### Principle 2: Structure of 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:

Adj. Prof. Al Jawhari Executive Chairman, Mr. David Attias Non-Executive Director, Mr Vincent Rigano, Non-Executive Director, Mr Brad Lemmon Non-Executive Director, Mr Nick Di Girolamo

Non-Executive Director (resigned 1 September 2025), Mr Jim Huang Non-Executive Director (resigned 5 September 2025), Ms Patricia Vanni 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](http://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, Mr. Vincent Rigano, Mr. Brad Lemmon, Mr. Nick Di Girolamo (resigned 1 September 2025) and Mr Jim Huang (resigned 5 September 2025) 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 but is not substantial security holder. As such, the Group assesses that it has five independent directors during the year as those relationships are defined.

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, Adj. Prof. 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 behaviour 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 David Attias (Non- Executive Director), Adj. Prof. 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](http://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 Company Secretary has 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

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## Corporate Governance Statement (cont.)

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.

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](http://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.

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## Corporate Governance Statement (cont.)

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.

### 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:

- 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;
- the period between the end of the June quarter and the release of the Company's annual report to ASX; and
- 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](http://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 Company Secretary received \$14,000 for services provided.

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 2025.*

### 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.

Adj. Prof. Al Jawhari (Executive Chairman)

Mr. Edward Byrt (Non-Executive Director)(retired 18 November 2024)

Mr. David Attias (Non-Executive Director)

Mr. Vincent Peter Rigano (Non-Executive Director)

Mr. Brad Lemmon (Non-Executive Director)(appointed 2 October 2024)

Mr. Nicholas Di Girolamo (Non-Executive Director)(appointed 29 October 2024)  
(resigned 1 September 2025)

Mr. Jim (Zhaojing) Huang (Non-Executive Director)(appointed 8 November 2024)  
(resigned 5 September 2025)

**Al Jawhari, Adj. Prof. - B.Eng(Aeronautical/Mechanical), Lt. Col.(EAF,Ret.)(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 & 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)(retired 18 November 2024)**

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 was a member of the Company's Audit Committee and had been a Director of the Company since 2004 until his retirement.

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.

**Brad Lemmon, B.Com Strategic Economic Analysis & Management (Non-Executive Director)**

Brad Lemmon brings to Papyrus over 30 years of experience and a range of skills from the construction materials, mining services, waste recovery and recycling industries, spanning operations and logistics, commercialization, capability integration across business pillars and progressing strategy to execution. With a strong governance focus, Brad has led a 500 strong multi-disciplined workforce through a major transformation via a strategic capital investment program to deliver an efficient, sustainable and profitable footprint across a national network.

Holding formal qualifications in Strategic Economic Analysis & Management, and a graduate from the Stanford Graduate School of Business with key strengths in attracting strategic capital investment to activate growth opportunities and building high performance teams, Brad is a highly effective business leader with international trade experience which will benefit Papyrus in our next stage of growth and expansion.

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

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### **Nick Di Girolamo, B.Leg.S** (Non-Executive Director)(resigned 1 September 2025)

Nick has been a solicitor for over 30 years and has held senior management positions in both public and private sectors. He is a collegiate commercial leader with well credentialed high-skilled negotiation skills, is recognised for building long-term working relationships and has gained significant board experience across a diverse portfolio of entities.

Nick's appointments include as Managing Partner of a leading legal practice, Chief Executive Officer of a significant road infrastructure company, Chair of the West Tigers Ruby league Club, Chair of the Italian Chamber of Commerce in Sydney, and a Director of Water NSW.

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

### **Jim (Zhaojing) Huang, MEng (Mechanical), MPhil (Industrial Systems, Cantab), CFA & FRM** (Non-Executive Director)(resigned 5 September 2025)

Mr. Huang brings a unique blend of expertise spanning engineering, technology, and business finance. With valuable experience in cross-border M&A, corporate advisory, and capital-raising efforts, he has played a key role in complex financial transactions across the Asia-Pacific region.

He has managed businesses in Asia, introducing innovative technologies in the waste processing and recycling sectors while collaborating with State-Owned Enterprises and local governments. Currently pursuing a PhD in Biomedical Engineering at the University of Sydney, Jim is an active researcher in deep learning and artificial intelligence (AI).

Jim is a qualified engineer with a master's degree in industrial systems, Manufacturing, and Management from the University of Cambridge, as well as a First-Class Honours MEng in Mechanical Engineering from University College London. He is Chartered Financial Analyst (CFA) and a Certified Financial Risk Manager (FRM).

Jim 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, until his recent retirement from the role.

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.

## 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 paper board and 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 \$2,830,599 (2024: \$644,060).

### 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	34,415,374	400,000	16,000,000
Edward Byrt (retired 18 November 2024)	25,799,471	140,000	-
David Attias	-	9,798,936	-
Brad Lemmon (appointed 02 October 2024)	-	-	6,000,000
Vincent Peter Rigano	12,830,445	273,057	-
Nick Di Girolamo (appointed 29 October 2024) (resigned 1 September 2025)	-	-	-
Jim Huang (appointed 08 November 2024) (resigned 5 September 2025)	-	-	-

### DIVIDENDS

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

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### OPERATIONS REVIEW

#### Introduction

FY25 has been a transformative year for Papyrus Australia Ltd, marked by accelerated innovation, strategic partnerships, and disciplined execution across our operations. Despite operating with constrained funding, the Company has delivered exceptional progress on its commercialisation roadmap, advancing all three flagship projects—our Rapid Prototyping & R&D Facility in Adelaide, the Australian High-End Production Facility, and the Vietnam High-Volume Production Facility.

Our ability to convert agricultural waste into high-performance, biodegradable packaging continues to attract strong market interest and validate our technology's commercial potential. This year, we fast-tracked the early-stage development of flat paper and board products, significantly progressed offtake negotiations, and expanded our intellectual property portfolio with new patent applications. These achievements reflect the agility and resilience of our team, as well as the growing global demand for sustainable manufacturing solutions.

The following report outlines the operational highlights and strategic developments that have shaped FY25, providing a clear view of our trajectory toward full-scale commercialisation in FY26 and beyond.

#### Technology Patents and Protection

Papyrus Australia Ltd continued to strengthen its intellectual property portfolio in FY25, registering patent applications for its advanced mouldable cellulosic fibrous pulp technology. This advancement marks a significant milestone in the evolution of our proprietary process, extending its application into food-grade packaging, flat products and other high-performance products. The patents reinforce our commitment to innovation and provide a robust foundation for future commercialisation, ensuring that our technology remains protected as we expand into new markets and product categories.

#### Accelerated Flat Product Development and Prototyping

Responding to strong commercial interest, Papyrus fast-tracked the development of flat paper and board products derived from banana fibre—achieving results originally forecasted for delivery two to three years ahead. These prototypes demonstrated exceptional wet strength and water resistance, validating their suitability for industrial and food packaging applications. The accelerated development not only showcases the adaptability of our technology but also positions Papyrus to meet emerging market demands with sustainable, high-performance alternatives.

#### Rapid Prototyping & R&D Facility

FY25 saw the commencement of building our Rapid Prototyping and R&D Facility at the University of South Australia's Future Industries Institute. This facility is now the cornerstone of our innovation pipeline, enabling accelerated product trials, equipment

prototyping, and collaborative research. Key milestones included the completion of primary processing trials, factory acceptance testing of thermoforming equipment, and the production of 100% banana fibre trays with full oil, grease, and water resistance. The partnership with UniSA has also fostered industry-academic collaboration through the Work Integrated Learning Internship Program, reinforcing our role as a catalyst for sustainable manufacturing talent.

#### Australian High End Production Facility

In Australia, Papyrus pivoted its strategic focus to high-end flat products, driven by strong customer demand. Field trials and lab-scale sample testing received positive customer feedback, and negotiations for a binding offtake agreement are nearing completion. Site due diligence—including utility capacity, logistics, and layout—has been conducted, and lease documentation is underway. With preliminary equipment designs and a robust financial feasibility model in place, the project is well-positioned to transition into commercial operations in FY26, delivering locally manufactured, sustainable flat products.

#### Vietnam High Volume Production Facility

Papyrus made substantial progress in Vietnam, advancing its joint venture with Thanh Dung Co. Ltd. A non-binding terms sheet has been signed providing the foundational Joint Venture framework. Papyrus has pitched to potential customers capable of absorbing over 50% of the facility's planned output. The site offers strategic advantages including abundant raw material supply, skilled labour, and cost-effective energy solutions. With L39 Capital engaged to support funding and feasibility, the Vietnam facility is on track to become a cornerstone of our high-volume production strategy in Southeast Asia.

#### Egyptian Joint Venture

In line with the accounting standards and in light of the lack of returns, transparency of operations and related corporate governance issues, the Company has determined that the carrying value of the investment in PPYEg and EBFC was written down to nil.

The impairment does not affect Papyrus's shareholding interest in both PPYEg and EBFC, which remains unchanged.

#### Board Structure

Papyrus Australia Ltd strengthened its leadership team in FY25 to support its commercialisation roadmap. Adj. Prof. Al Jawhari was appointed Executive Chair, bringing global commercial expertise to drive R&D, product development, and operational efficiency. The Board welcomed three new non-executive Directors—Mr. Brad Lemmon, Mr. Nick Di Girolamo, and Mr. Jim Huang—each contributing deep expertise across materials

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recovery, legal negotiation, and cross-border engineering and finance. These appointments reflect our commitment to strategic governance and position the company for sustained growth.

### General Meetings

The Papyrus Annual General Meeting was held on 27 November 2024, with all resolutions carried.

### AusIndustry Programs

Papyrus Australia Ltd remains an active participant in the Australian Government's Research and Development Tax Incentive (R&DTI) program, which supports innovation-driven enterprises by offsetting eligible R&D expenditure. The program is designed to stimulate productivity and competitiveness across the Australian economy by incentivising research and development activities, including approved overseas components that contribute to domestic innovation outcomes.

In FY25, Papyrus Australia Ltd received \$332,394 under the R&DTI program, reflecting its continued investment in advancing proprietary technology toward commercialisation. This support reinforces the company's commitment to innovation and strengthens its capacity to deliver sustainable manufacturing solutions at scale.

### FY26 Horizon and Future

Papyrus enters FY26 with a clear trajectory toward commercialisation, anchored by three interlinked strategic projects: the Rapid Prototyping & R&D Facility in Adelaide, the Australian High-Value Low-Volume Production Facility, and the Vietnam High-Volume Joint Venture Facility. At the heart of this transition is the Rapid Prototyping Facility, which serves as the technical engine driving product innovation, equipment validation, and process refinement for both commercial-scale operations.

As we have accelerated the development of flat paper and board products, delivering well ahead of schedule through research partners the Rapid Prototyping & R&D Facility will pick up and continue to provide the critical infrastructure for testing, certification, and customer sample production across a range of products and market segments. These capabilities are directly informing the design and execution of our Australian and Vietnamese production sites, ensuring a seamless scale-up from lab to full production facilities.

Global interest in Papyrus' technology and products continues to intensify, with major growers, packaging manufacturers, and sustainability-focused customers engaging in early technology and offtake discussions. In FY26, Papyrus will focus on securing binding commercial agreements to support the facilities, executing the commercial production

projects and expanding its footprint in key markets. With a validated technology platform, strong customer pull, and a cohesive commercialisation roadmap, Papyrus is well-positioned to deliver scalable, sustainable impact across the global packaging industry.

### The Board and the AGM

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

The Papyrus Annual General Meeting was held on 27 November 2024, with all resolutions carried. The remuneration report was adopted.

In July 2024 Adj. Prof. Al Jawhari was appointed Executive Chairman to take an increasing role as the Company transitions from research and development activities to product development and marketing its technology internationally.

Mr. Edward Byrt retired as chairman of the Company on 15 July 2024, remaining a Non-Executive Director until his retirement on 18 November 2024. Mr. Byrt, was Chairman of the Company from 2009 and during this period, he oversaw the establishment of PPYEg (the joint venture company between Papyrus and EBFC in Egypt) and in particular guided the group through the GFC, the challenging governance issues that occurred in Egypt post 2011, the ongoing development of the intellectual property and oversaw the Company's financial requirements during his tenure.

On 2 October 2024 Mr. Brad Lemmon was appointed Non-Executive Director.

On 29 October 2024 Mr. Nick Di Girolamo was appointed Non-Executive Director and resigned on 1 September 2025.

On 8 November 2024 Mr. Jim Huang was appointed Non-Executive Director and resigned on 5 September 2025.

### 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 2025 other than those disclosed in this report.

### 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.

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### MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 4 August 2025, the Group raised \$262,000 in capital through a placement to Sophisticated Investors of 26,200,000 shares and 13,100,000 unlisted options. The unlisted options have an exercise price of \$0.02 per option converted, and an expiry date of 12 months from issue date.

On 4 August 2025, Papyrus Australia appointed Daniel Schmidt as Chief Executive Officer. His remuneration package includes a base salary of \$205,000 per annum, increasing to \$230,000 effective 1 January 2026, plus statutory superannuation contributions.

On 5 August 2025, The Group issued notices of termination to BPE Investments Pty Ltd and Union Pacific Investments Pty Ltd in relation to the Independent Services Deed executed on 29 August 2021, and to BPE Investments Pty Ltd and Union Pacific Equities Pty Ltd in relation to the Independent Services Deed executed on 23 June 2023.

On 11 August 2025, The Group was awarded a grant of \$250,000 matched funding to support the early-stage commercialisation of its proprietary banana fibre processing technology. This grant provides funding for the Rapid Prototyping and R&D Facility at the University of South Australia. The work from this facility is essential for the transition of -scale proof of concept to commercial scale design. The projects initial focus will be the scaling of the design along with product prototyping and testing once the equipment installation has been completed.

Product trials have commenced, with initial samples produced via outsourced facilities. Major equipment procurement is underway to fast-track technical implementation.

On 20 August 2025, the Group entered a binding term sheet with TBS Mining Solutions Pty Ltd ("TBS"), a wholly owned subsidiary of Aquirian Limited (ASX: AQN), to manufacture a biodegradable version of their Collar Keeper® product. Papyrus is excited to be working with TBS to on the next iteration of their Collar Keeper®.

Using Papyrus's patented technology for the conversion of plantation waste into paper and board products, coupled with the technical specification and knowledge from TBS, the parties have completed the required laboratory and field-testing trials to progress to commercialisation of the Biodegradable Collar Keeper®.

The Biodegradable Collar Keeper® will be manufactured in Adelaide Australia at the Papyrus commercial production facility that is currently under development. It is expected that the site will be commissioning in Q4 of FY26. The term sheet provides contract revenue: \$4.2 million (circa) and a 3-year term with a 3-year option to extend.

On 20 August 2025, Perfection Australia Group Pty Ltd ('PAG') and Union Pacific Equities Pty Ltd ('UPE')(together, the 'Plaintiffs') filed an application in the Supreme Court of New South Wales under

sections 247A and 247B of the *Corporations Act 2001(Cth)* and rule 5.3 of the *Uniform Civil Procedure Rules 2005(NSW)*(('Application') against Papyrus Australia Limited (ASX: PPY)(('Papyrus').

Pursuant to the Application, the Plaintiffs have sought an order for preliminary discovery and, in the alternative, an order authorising them to inspect and make copies of the books of Papyrus in relation to a number of matters including its engagement of L39 Capital Pty Ltd and Papyrus' investment in Egyptian Banana Fibre Company and Papyrus Egypt.

The Board is currently reviewing the Application and has sought legal advice in relation to its response. There were no other significant matters subsequent to the end of the financial year.

### 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
02/11/2022	02/11/2025	\$0.06		-	10,000,000
02/11/2022	02/11/2027	\$0.10		-	10,000,000
19/07/2024	19/12/2026	\$0.03		5,000,000	5,000,000
28/11/2024	28/11/2026	\$0.02	28/11/2025	4,000,000	4,000,000
28/11/2024	28/11/2028	\$0.04	28/11/2026	4,000,000	4,000,000
28/11/2024	28/11/2025	\$0.01	28/11/2025	2,000,000	2,000,000
28/11/2024	28/11/2026	\$0.02	28/11/2025	4,000,000	4,000,000
09/12/2024	09/06/2026	\$0.03		25,000,000	25,000,000
18/12/2024	18/12/2025	\$0.01		16,000,000	16,000,000
23/01/2025	23/01/2026	\$0.03		4,454,454	4,454,454
08/08/2025	08/02/2027	\$0.02		13,100,000	13,100,000

### Shares issued as a result of the exercise of options

27,777,777 of the options issued on 19 July 2024, 6,575,000 of the options issued on 12 August 2024, and 5,000,000 of the options issued on 18 December 2024 were exercised during the year ended 30 June 2025 (125,000 options were exercised during 2024 financial year).

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### Options Expired

42,610,714 options expired during the year ended 30 June 2025.

### New options issued

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 17 months from issue date, being 19 December 2025 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 6,575,000 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.

On 27 November 2024 the company issued 25,000,000 unlisted options exercisable at \$0.03 per option and with an expiry date of 18 months from issue date, being 27 May 2026 which were issued as part of a Share Purchase & Loan Agreement to sophisticated investors.

On 28 November 2024 the company issued 4,000,000 unlisted options exercisable at \$0.02 per option and with an expiry date of 2 years from issue date, with a vesting date of 12 months from issue date, and a further 4,000,000 unlisted options exercisable at \$0.04 per option and with an expiry date of 4 years from issue date, with a vesting date of 24 months from issue date as part of remuneration arrangements.

On 28 November 2024 the company issued 2,000,000 unlisted options exercisable at \$0.01 per option and with an expiry date of 12 months from issue date, and a further 4,000,000 unlisted options exercisable at \$0.02 per option and with an expiry date of 2 years from issue date, with a vesting date of 12 months provided the director remains as a member of the board on the vesting date namely 28 November 2025, on the appointment of the director.

On 18 December 2024 the company issued 25,000,000 unlisted options exercisable at \$0.01 per option and with an expiry date of 12 months from issue date as part of the full-time salary arrangements of the Executive Chairman.

On 23 January 2025 the company issued 4,545,454 unlisted options exercisable at \$0.03 per option and with an expiry date of 12 months from issue date, being 23 January 2026 which were issued as part of capital raise to sophisticated investors.

On 8 August 2025 the company issued 13,100,000 unlisted options exercisable at \$0.02 per option and with an expiry date of 18 months from issue date, being 8 January 2027 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 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 \$41,484 was paid for Papyrus Directors and Officers D&O Liability Insurance for the year ended 30 June 2025 (2024: \$40,270).

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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## Remuneration Report

# 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. Daniel was promoted to Chief Executive Officer from 4 August 2025. His remuneration remains unchanged and will increase to \$230,000 per annum, plus superannuation from 1 January 2026. He is eligible for a short-term incentive of up to 35% of base salary upon meeting performance targets, and up to 70% for achieving both target and stretch milestones. A long-term incentive comprising shares or options will be offered separately, in accordance with the company's Executive Incentive framework and the Employees and Officers Incentive Policy. At the date of the financial statements, such targets and milestones have not been agreed on.

### 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 11.5%, 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, duties and accountability. Independent external advice is sought when required.

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. In addition, the Company Secretary received \$14,000 in remuneration during the 2025 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 2025.

### VOTING AND COMMENTS MADE AT THE COMPANY'S 2024 ANNUAL GENERAL MEETING

Papyrus Australia Ltd motion in relation to the approval of 2024 remuneration report passed with a vote total of more than 95%. The Company did not receive any specific feedback at the AGM on its remuneration report.

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## Remuneration Report (cont.)

### 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:

Adj. Prof. Al Jawhari, Executive Chairman

Mr Edward Byrt, Non-Executive Director (retired 18 November 2024)

Mr David Attias, Non-Executive Director

Mr Vincent Peter Rigano, Non-Executive Director

Mr Brad Lemmon, Non-Executive Director (appointed 2 October 2024)

Mr Nick Di Girolamo, Non-Executive Director (appointed 29 October 2024) (resigned 1 September 2025)

Mr Jim Huang, Non-Executive Director (appointed 8 November 2024)(resigned 5 September 2025)

And the following person:

Mr Daniel Schmidt –Chief Operating Officer (appointed Chief Executive Officer 4 August 2025)

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 15 July 2024 and Adj. Prof. Al Jawhari was appointed Executive Chairman.

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.



Table 1: Directors' remuneration for the year ended 30 June 2025 and 30 June 2024

	Primary benefit	Post employment	Share-based payments		Others	Total benefit
	Salary & Fees \$	Superannuation \$	Shares \$	Options \$	Fees \$	\$
<b>Mr. Pascal Gouel</b>						
2025	-	-	-	-	-	-
2024	50,000	-	-	-	-	50,000
<b>Adj. Prof. Al Jawhari</b>						
2025	-	-	210,582	184,425	-	395,007
2024	-	-	-	-	-	-
<b>Mr. Brad Lemmon</b>						
2025	-	-	-	15,563	-	15,563
2024	-	-	-	-	-	-
<b>Mr. Vince Rigano</b>						
2025	-	-	-	-	14,000	14,000
2024	-	-	-	-	-	-
<b>Total</b>						
2025	-	-	210,582	199,988	14,000	434,570
2024	50,000	-	-	-	-	50,000

During the period, no cash payments were made to non-executive directors.

The shares and options issued to the Executive Chairman, Mr. Jawhari were approved at the 2024 AGM.

The remuneration to Mr. Vince Rigano was for the role of Company Secretary for the period 1 November 2024 to 30 June 2025.

Table 2: Remuneration of key management personnel for the year ended 30 June 2025 and 30 June 2024

	Primary benefit	Post employment	Share-based payments		Total benefit
	Salary & Fees \$	Superannuation \$	Shares \$	Options \$	\$
<b>Mr Daniel Schmidt</b>					
2025(*)	202,998	21,762	-	17,113	241,873
2024	168,762	18,564	-	-	187,326
<b>Total</b>					
2025	202,998	21,762	-	17,113	241,873
2024	168,762	18,564	-	-	187,326

(\*) Represents remuneration to Mr. Schmidt under the employment contract, he was COO until 4 August 2025 when he was promoted to the role of CEO.

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### Options holdings of Directors and Key Management Personnel

	Balance at 1 July 2024	Other changed	Balance at 30 June 2025
Directors			
A Jawhari	-	20,000,000	20,000,000
B Lemmon	-	6,000,000	6,000,000
Key Management Personnel			
D Schmidt	-	8,000,000	8,000,000
<b>Total</b>	<b>-</b>	<b>34,000,000</b>	<b>34,000,000</b>

No other Directors or Key Management Personnel held any options

All remuneration for both 2025 and 2024 for key management personnel was fixed and not linked to performance.

### Key Management Personnel (Direct & Indirect) Shareholdings

	Balance at 1 July 2023	Other change	Balance at 30 June 2024
E Byrt	25,939,471	-	25,939,471
D Attias	9,343,250	-	9,343,250
V Rigano	13,121,809	-	13,121,809
<b>Total</b>	<b>48,404,530</b>	<b>-</b>	<b>48,404,530</b>

	Balance at 1 July 2024	Other change	Balance at 30 June 2025
A Jawhari(*)	-	30,815,374	30,815,374
E Byrt	25,939,471	-	25,939,471
D Attias	9,343,250	772,750	10,116,000
V Rigano	13,121,809	(18,307)	13,103,502
<b>Total</b>	<b>48,404,530</b>	<b>31,569,817</b>	<b>79,974,347</b>

(\*)A Jawhari owned 815,374 shares prior to his commencement as a Director of Papyrus Australia Ltd. These shares are included in the other change during the year.

### Other transactions with key management personnel

The Company had unsecured payable owing to with V Rigano with no interest is charged. The balance represents reimbursements for expenses incurred and services provided as outlined below.

	Balance at 30 June 2024	Balance at 30 June 2025
V Rigano	2,035	1,033

In the prior year, the Company entered into a service agreement with L39 Capital, a shareholder that David Attias is a common director. The service agreement is to make the introduction and facilitate the collaboration between Papyrus and Thanh Dung Co. the potential joint venture partner in its Vietnam, with the objective of executing a joint venture agreement and the establishment of such joint venture. Milestone 1 of the agreement was achieved during the year, and an expense of \$30,000 has been accrued at 30 June 2025 for the service (2024: nil). Such payment can be made in cash or issue of options and is subject to shareholders' approval.

END OF AUDITED REMUNERATION REPORT.



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## 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		15		2
A Jawhari	15	15	1	1
E Byrt	6	6	2	2
D Attias	15	11	3	3
V Rigano	15	15	3	3
B Lemmon	10	10	-	-
N Di Girolamo	9	7	-	-
J Huang	9	8	-	-

Members acting on the Audit Committee of the Board are:

- Al Jawhari** Executive Chairman
- Vincent Rigano** 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, a related entity of BDO Audit Pty Ltd, has assisted with applications for the Research and Development Tax Incentive (R&DTI) Tax offset and grant application for early-stage commercialisation for Papyrus Australia Ltd.

The Directors are satisfied that the provision of non-audit services during the financial year, by the auditor (or by another person or firm on the auditor's behalf), is compatible with the general standard of independence for auditors imposed by the Corporations Act 2001.

The Directors are of the opinion that the services as disclosed in note 16 to the financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 Code of Ethics for Professional Accountants (including independence standards) issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

There are no officers of the Company who are former partners of BDO Audit Pty Ltd.



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

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## Auditor's Independence Declaration

### AUDITOR'S INDEPENDENCE DECLARATION

The auditor's independence declaration for the year ended 30 June 2025 as required under section 307C of the Corporations Act 2001 has been received and can be found opposite.

Signed in accordance with a resolution of the Board of Directors.

**Adj. Prof. Al Jawhari,**  
Executive Chairman

29 September 2025



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

As lead auditor of Papyrus Australia Limited for the year ended 30 June 2025, 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 Limited and the entities it controlled during the period.

Linh Dao  
Director

**BDO Audit Pty Ltd**

Adelaide, 29 September 2025

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 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.

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## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 30 June 2025

		Consolidated Group	
	Note	2025	2024
		\$	\$
Other income	2 (a)	508,296	672,958
Share based payment expense	2 (b)	(427,683)	(220,410)
Consultancy expenses		(145,711)	(283,342)
Depreciation expense		(1,852)	(2,235)
Employee benefits expenses	2 (b)	(224,760)	(208,776)
Impairment	9	(1,009,956)	-
Other expenses	2 (c)	(1,402,491)	(946,953)
Share of net profit/(loss) of associate and joint venture	9	(126,442)	344,698
<b>Loss before income tax benefit</b>		<b>(2,830,599)</b>	<b>(644,060)</b>
Income tax benefit	(3)	-	-
<b>Loss for the period</b>		<b>(2,830,599)</b>	<b>(644,060)</b>
Other comprehensive income		-	-
<b>Total comprehensive income for the year</b>		<b>(2,830,599)</b>	<b>(644,060)</b>
<b>Earnings per share:</b>		Cents	Cents
Basic earnings per share	4	(0.54)	(0.13)
Diluted earnings per share	4	(0.54)	(0.13)

## Consolidated Statement of Financial Position

As at 30 June 2025

		Consolidated Group	
	Note	2025	2024
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	5	305,329	366,971
Other receivables	6	519,985	1,219,316
Prepayments	7	176,211	8,070
<b>TOTAL CURRENT ASSETS</b>		<b>1,001,525</b>	<b>1,594,357</b>
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	8	3,021	4,873
Investments accounted for using the equity method	9	-	1,122,694
<b>TOTAL NON-CURRENT ASSETS</b>		<b>3,021</b>	<b>1,127,567</b>
<b>TOTAL ASSETS</b>		<b>1,004,546</b>	<b>2,721,924</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	696,833	584,888
<b>TOTAL CURRENT LIABILITIES</b>		<b>696,833</b>	<b>584,888</b>
<b>NON-CURRENT LIABILITIES</b>			
Other non-current liabilities		-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>696,833</b>	<b>584,888</b>
<b>NET ASSETS / (LIABILITIES)</b>		<b>307,713</b>	<b>2,137,036</b>
<b>EQUITY</b>			
Issued capital	11	27,273,841	26,452,781
Reserves	12	1,472,114	1,291,898
Accumulated losses		(28,438,242)	(25,607,643)
<b>TOTAL EQUITY / (DEFICIT)</b>		<b>307,713</b>	<b>2,137,036</b>

## Consolidated Statement of Changes in Equity

For the year ended 30 June 2025

	Note	Consolidated Group			
		Issued capital	Earnings/ Accumulated losses	Share option reserve	Total
		\$	\$	\$	\$
<b>Balance at 1 July 2023</b>		26,372,581	(24,963,583)	1,071,488	2,480,486
Comprehensive income					
Loss for the year		-	(644,060)	-	(644,060)
<b>Total comprehensive income for the period</b>		-	<b>(644,060)</b>	-	<b>(644,060)</b>
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
<b>Total transactions with owners and other transactions</b>	11	80,200	-	220,410	300,610
Balance at 30 June 2024		26,452,781	(25,607,643)	1,291,898	2,137,036
Balance at 01 July 2024		26,452,781	(25,607,643)	1,291,898	2,137,036
Comprehensive income					
Loss for the year		-	(2,830,599)	-	(2,830,599)
<b>Total comprehensive income for the period</b>		-	<b>(2,830,599)</b>	-	<b>(2,830,599)</b>
transactions with owners, in their capacity as owners, and other transactions					
Shares Issued via private placement on 19 November 2024		250,000	-	-	250,000
Shares Issued via private placement on 6 December 2024		59,175	-	-	59,175
Shares Issued to related party as part of salary on 18 December 2024		275,000	-	210,582	64,418
Shares Issued via private placement on 23 January 2025		150,000	-	-	150,000
Conversion of unlisted options on 18 March 2025		86,885	-	(36,885)	50,000
Share based payments		-	-	427,683	427,683
<b>Total transactions with owners and other transactions</b>	11	821,060	-	180,216	1,001,276
Balance at 30 June 2025		27,273,841	(28,438,242)	1,472,114	307,713

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## Consolidated Statement of Cash Flows

For the year ended 30 June 2025

	Note	Consolidated Group	
		2025	2024
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers			100
Government grants and tax incentives		332,394	268,314
Payments to suppliers and employees		(752,571)	(871,525)
<b>Net cash used in operating activities</b>	13	<b>(420,177)</b>	<b>(603,111)</b>
<b>Cash flows from investing activities</b>			
Purchase for plant & equipment		-	(3,264)
Advance payment for plant & equipment		(102,742)	-
Net loans (made to)/ repaid from joint venture entity			(48,551)
<b>Net cash from investing activities</b>		<b>(102,742)</b>	<b>(51,815)</b>
<b>Cash flows from financing activities</b>			
Proceed from issue of shares		200,000	85,000
Proceed from borrowings		526,692	521,733
Repayment of borrowings		(264,382)	-
Transaction costs from shares issued		(1,033)	(9,839)
<b>Net cash from financing activities</b>		<b>461,277</b>	<b>596,894</b>
Net (decrease)/increase in cash and cash equivalents		(61,642)	(58,032)
Cash at the beginning of the financial year		366,971	425,003
<b>Cash at the end of the financial year</b>	5(a)	<b>305,329</b>	<b>366,971</b>

## Notes to the Financial Statements

For the year ended 30 June 2025

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 29 September 2025.

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.

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.

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 \$2,800,599 and had net cash outflows of \$420,177 for the year ended 30 June 2025. As at 30 June 2025, the Group reported \$305,329 cash at bank and in hand, \$236,576 of which is restricted in the Group's bank account in Egypt.

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;
- access to additional funding through the Group's agreement with Mr. Azer to support operations;

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.

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## NOTES TO THE FINANCIAL STATEMENTS (CONT.)

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) 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.

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.

### (g) 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.

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**(h) 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.

**(i) 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.

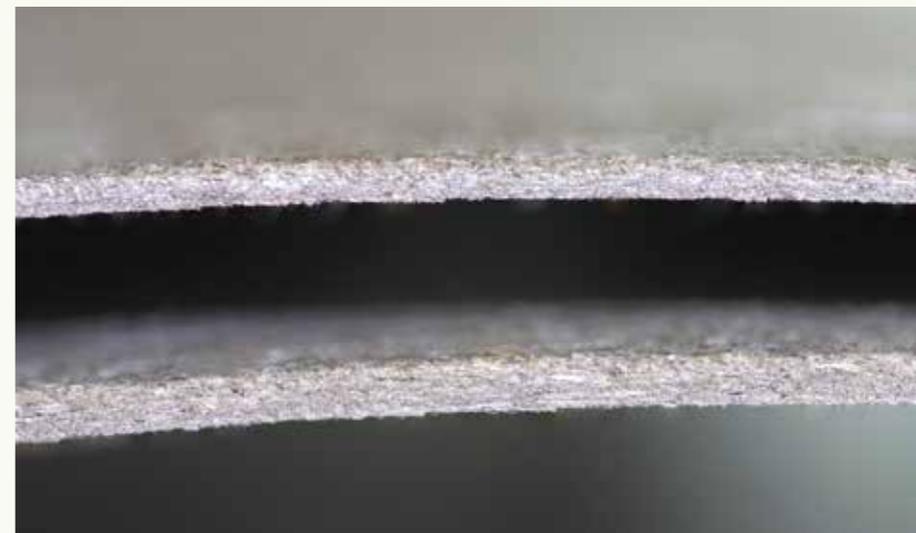
Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss, except for goodwill.

**(j) 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.

**(k) 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).



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

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.

**(l) 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.

**(m) 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 2024 and 2025.

**(n) Operating segments**

The Group operates in one business segment, research and development utilising banana fibre for moulded products. The Chief Operating Decision Maker (CODM) monitors the business as whole.

**(o) 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.

**(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.

NOTES TO THE FINANCIAL STATEMENTS (cont.)

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 2025.

**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.

**2. REVENUE AND EXPENSES**

	Consolidated Group	
	2025	2024
	\$	\$
<b>REVENUE</b>		
(a) Other income		
R&D Tax incentive	508,296	672,958
	508,296	672,958
<b>EXPENSES</b>		
(b) Employee benefit expenses		
Wages, salaries and other remuneration expenses	224,760	208,776
Share based payment expenses	427,683	220,410
Total employee benefit expenses	652,443	429,186
<i>Included in wages, salaries and other remuneration expenses were defined superannuation contribution expense for the year ended 30 June 2025: \$21,762 (2024: \$21,863)</i>		
(c) Other expenses		
Audit and accounting fees	137,607	109,109
Legal fees	65,875	42,064
Marketing	13,233	52,302
Travel and accommodation	46,657	16,345
Governance and secretarial costs	21,607	8,828
Intellectual property expenses	54,697	15,846
Information technology	6,379	2,958
Interest expense	34,295	45,489
R & D expenses	892,885	369,437
Foreign currency exchange expense	-	152,844
Patent Costs	-	9,531
Insurance	42,675	40,906

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Share registry and ASX expenses	69,464	72,997
Other expenses	17,117	8,297
	<b>1,402,491</b>	946,953

**3. INCOME TAX EXPENSE**

	Consolidated Group	
	2025	2024
	\$	\$
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	
	2025	2024
	\$	\$
Loss before income tax	(2,830,599)	(644,060)
At the Group's income tax rate of 25% (2024:25%)	(707,650)	(161,015)
Share-based payments expensed during the year at tax rate of 25% (2024:25%)	106,922	55,103
Expenditure not allowable for income tax purposes	-	-
Tax losses not recognised due to not meeting recognition criteria	600,728	105,912
	-	-

The Group has tax losses arising in Australia of \$14,631,941 (2024: \$14,311,176)

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.

**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

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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 2025 or 2024.

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

(a) Reconciliation of earnings to profit or loss from continuing operations

	Consolidated Group	
	2025	2024
	\$	\$
Net loss attributable to ordinary equity holders of the parent	(2,830,599)	(644,060)

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

	Consolidated Group	
	2025	2024
	\$	\$
Weighted average number of ordinary shares for basic earnings per share	528,548,168	492,119,785
Effect of dilution		
Share options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	528,548,168	492,119,785

5. CASH AND CASH EQUIVALENTS

	Consolidated Group	
	2025	2024
	\$	\$
Cash at bank and in hand	305,329	366,971

Included in the cash at bank and in hand is \$236,576 cash held in the Group's bank account in Egypt, in Egyptian Pounds (2024: \$239,524). Due to legal restrictions over foreign exchange in Egypt, the fund is not available to general use by the parent in Australia. During the year, due to the Group has assessed that it lost its joint control of PPYEg and EBFC for equity accounting under Australian Accounting Standards as disclosed at Note 9 of the

financial statements, the Group has impaired its investment in Egypt to nil. However, the Group remains confident, that the cash balance held in the Egyptian bank account under the name of Papyrus Manufacturing Pty Ltd, a 100% subsidiary of Papyrus Australia Ltd remains in control of the Group and will be available for its future business endeavours in Egypt/ neighbouring regions. 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	
	2025	2024
	\$	\$
Cash at bank and in hand	305,329	366,971

6. OTHER RECEIVABLES

	Consolidated Group	
	2025	2024
	\$	\$
Current		
Other receivables		873,879
R&D incentive receivables	513,670	336,437
GST recoverable	6,315	9,000
Total	519,985	1,219,316

Other Receivable represent receivable from Papyrus Egypt, a joint venture company that the Group accounts for using equity method. This amount is interest free and repayable on demand. In prior year, the Group has assessed that the loan would have been repaid in 2 years and the Group carried the loan at amortised cost using effective interest method accordingly. During the year, the loan was however repaid mostly through R&D service undertaken by Papyrus Egypt for Papyrus Australia Ltd under a service agreement between 2 parties. The remaining balance has been fully impaired as the Group impaired its investment in Papyrus Egypt and Egyptian Banana Fibre Company as disclosed at Note 9.

## 7. PREPAYMENTS

	Consolidated Group	
	2025	2024
	\$	\$
Prepayments	176,211	8,070
<b>Total</b>	<b>176,211</b>	<b>8,070</b>

Included in prepayments for 30 June 2025 is an amount of \$102,742 relating to the deposit paid for the pilot plant equipment that has not been received by the reporting date and \$68,185 relating to shares issued that are escrowed during the vesting period.

## 8. PLANT AND EQUIPMENT

	Consolidated Group	
	2025	2024
	\$	\$
Plant and equipment		
Plant and equipment at cost	7,108	7,108
Accumulated depreciation and impairment	(4,087)	(2,235)
Net carrying amount	3,021	4,873

### (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
Balance at the beginning of year	4,873	3,844
Additions	-	3,264
Depreciation expense	(1,852)	(2,235)
<b>Balance at the end of the year</b>	<b>(3,021)</b>	<b>4,873</b>

## 9. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Name	Classification	Place of business/ incorporation	Proportion of ordinary share interests /		Measurement method	Carrying amount	
			participating shares 2025 %	2024 %		2025 \$	2024 \$
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

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, up to 31 December 2024, Papyrus Egypt was assessed to be a joint arrangement that was structured as an unincorporated entity (company) with two principal members, Papyrus Australia Limited and Egyptian Banana Fibre Company. The primary function of PPYEg was 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.

In the first half-year of 2025, the group had been focusing on the consolidation project however this had not unfortunately eventuated by the date of these financial statements. Furthermore, in line with the requirements of Australian Accounting Standards, the group had identified impairment indicators with regard to the investments due to lack of return, transparency of operations in particularly for the past 6 months. As a result, though there have been no changes to Papyrus Australia Ltd's shareholding interest in both PPYEg and EBFC as far as the group's concern, the investment has been written down to nil and accounted for as a loss of control from 1 January 2025.

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As the Group assessed to have lost its joint control from 1 January 2025, the group ceased equity method accounting for its investments in Egyptian Banana Fibre Company and Papyrus Egypt accordingly.

Summarised Financial Position

	Consolidated Group	
	2025	2024
	\$	\$
Cash and cash equivalents	-	104,108
Total current assets	-	136,021
Total non-current assets	-	723,747
Total current liabilities	-	175,092
Total non-current liabilities	-	-
Net assets	-	685,268
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
	<b>6 months ending</b>	<b>12 months ending</b>
	<b>31 December</b>	<b>30 June</b>
	<b>2025 \$</b>	<b>2024 \$</b>
Revenue	74,866	1,353,995
Depreciation	21,201	45,078
Profit / (Loss) for the year before income tax	164,819	847,792
Income tax expense	-	-
(Loss) for the year	164,819	847,792
Other comprehensive income	-	-
<b>Total comprehensive income</b>	<b>164,819</b>	<b>847,792</b>
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, prior to ceasing of equity-accounting for investments	114,730	590,167
Elimination of upstream transaction with Papyrus Australia	(241,172)	(245,469)

Group share of joint venture's net profit/(loss) after elimination before ceasing of equity-accounting for investments	(126,442)	344,698
<b>Reconciliation to Carrying Amounts</b>		
Investment at beginning of the year	1,122,694	689,856
Impairment	(965,729)	-
Interest charged on loan to joint venture accounted for as cost of investment	(30,523)	88,140
Share of the JV for the year	(126,442)	344,698
Closing carrying amount of investment	-	1,122,694

10. TRADE AND OTHER PAYABLES

	Consolidated Group		
		2025	2024
	Note	\$	\$
CURRENT			
Trade payables	10(a)	119,135	50,512
Sundry payables and accrued expenses	10(b)	187,268	117,365
R&D borrowings	10(c)	390,430	107,836
Investor borrowings	10(d)	-	309,175
		<b>696,833</b>	<b>584,888</b>

(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

An amount of \$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 12 August 2024 on the same term entered into with him.

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In prior year, the Company entered into a service agreement with L39 Capital, a shareholder that David Attias is a common director. The service agreement is to make the introduction and facilitate the collaboration between Papyrus and Thanh Dung Co. the potential joint venture partner in its Vietnam, with the objective of executing a joint venture agreement and the establishment of such joint venture. Milestone 1 of the agreement was achieved during the year, and an expense of \$30,000 has been accrued at 30 June 2025 for the service (2024: nil) and included in sundry payables and accrued expenses above. Such payment is subject to shareholders' approval.

(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 refund the Group is entitled to under the R&D incentive scheme. This facility is for a total loan amount of \$390,430 with the original maturity date of 31 December 2025 and annual interest rate of 16%.

(d) Investor borrowings

In June 2024 the Company entered into loan agreements with sophisticated investors of which some were existing shareholders of the Company.

The terms of the loan required the issue of unlisted options exercisable at \$0.009 per option converted. The options issued were converted in November 2024 with the issue of 27,777,777 shares which subsequently discharged the loan liability.

11. ISSUED CAPITAL

	Consolidated Group	
	2025	2024
	\$	\$
Fully paid ordinary shares 570,681,733 (2024: 492,692,593)	27,273,841	26,452,781
<b>Total issued capital</b>	<b>27,273,841</b>	<b>26,452,781</b>

a) Ordinary shares

	Consolidated Group			
	2025	2025	2024	2024

	Number	\$	Number	\$
At the beginning of the reporting period	492,692,593	26,452,781	489,367,593	26,372,581
(2024: Issued pursuant to private placement 4 September 2023)	-	-	3,200,000	75,200
(2024: Issued via exercise of options 20 October 2023)	-	-	125,000	5,000
Issued pursuant to private placement 20 November 2024	27,777,777	250,000		
Issued pursuant to private placement 6 December 2024	6,575,000	59,175		
Issued pursuant to related party 20 December 2024	25,000,000	275,000		
Issued pursuant to private placement 24 January 2025	13,636,363	150,000		
Issued via exercise of options 18 March 2025	5,000,000	86,885		
At the end of the reporting period	<b>570,681,733</b>	<b>27,273,841</b>	<b>492,692,593</b>	<b>26,452,781</b>

On 20 November 2024, the Company announced that it had raised \$250,000 via a private placement of 27,777,777 ordinary fully paid shares at a price of \$0.009 per share to sophisticated investors, and the Company announced the issue was completed.

On 6 December 2024, the Company announced that it had raised \$59,175 via a private placement of 6,575,000 ordinary fully paid shares at a price of \$0.009 per share to sophisticated investors, and the Company announced the issue was completed.

On 20 December 2024, the Company announced that it had issued 25,000,000 ordinary shares as part of salary arrangements, the value attributable to the issued shares based on the share price at the date of issue was \$275,000 and the Company announced the issue was completed.

On 24 January 2025, the Company announced that it had raised \$150,000 via a private placement of 13,636,363 ordinary fully paid shares at a price of \$0.011 per share to sophisticated investors, and the Company announced the issue was completed.

On 18 March 2025, the Company announced that it had raised \$50,000 via the conversion of 5,000,000 to ordinary fully paid shares at a price of \$0.01 per unlisted option converted, as this was a share-based payment the attributable value was \$86,885, 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

	Note	Consolidated Group	
		2025	2024
		\$	\$
Share Option Reserve			
Balance at beginning of financial year		1,291,898	1,071,488
Share rights expenses	12(a)	427,683	220,410
Share right equity movement		(247,467)	-
<b>Balance at end of the year</b>		<b>1,472,114</b>	<b>1,291,898</b>

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	
	2025	2024

	\$	\$
Net Loss	(2,830,599)	(644,060)
Non-cash flow in loss:		
Depreciation expenses	1,852	2,235
Share-based payment expense	427,683	220,410
Share of net profit of joint venture	126,442	(344,698)
	1,009,956	
Change in assets and liabilities		
Decrease/(Increase) in trade and other receivables	699,331	175,857
Decrease/(Increase) in trade and other payables	145,158	(12,855)
<b>Net cash (used in)/provided by operating activities</b>	<b>(420,177)</b>	<b>(603,111)</b>

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.

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:

2025 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	-	-
0.03	14,285,714	-	14,285,714	-	-	-
0.03	25,000,000	-	-	25,000,000	-	-
0.04	3,075,000	-	-	3,075,000	-	-
0.009		27,777,777	27,777,777	-	-	-
0.03		5,000,000	-	-	5,000,000	5,000,000
0.009		6,575,000	6,575,000	-	-	-
0.01	-	25,000,000	5,000,000	-	20,000,000	20,000,000
0.02	-	4,000,000	-	-	4,000,000	-
0.04	-	4,000,000	-	-	4,000,000	-
0.01	-	2,000,000	-	-	2,000,000	-
0.02	-	4,000,000	-	-	4,000,000	-
0.03	-	4,545,454	-	-	4,545,454	4,545,454
	<b>43,110,714</b>	<b>82,898,231</b>	<b>53,638,491</b>	<b>28,325,000</b>	<b>44,045,454</b>	<b>30,045,454</b>

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
	<b>42,307,987</b>	<b>3,200,000</b>	<b>125,000</b>	<b>2,272,273</b>	<b>43,110,714</b>	<b>43,110,714</b>

The weighted average remaining contractual life of options outstanding at year end was 2.86 years (2024:1.23 years).

The range of weighted average exercise prices for options outstanding at the end of the year was \$0.02 (2024: \$0.049) 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 Price	Expected volatility	Risk free rate	Fair value at grant date
8/12/2024	8/12/2025	\$0.01	\$0.01	114.9%	2%	\$0.007
8/11/2024	8/11/2026	\$0.02	\$0.02	114.9%	2%	\$0.008
28/11/2024	8/11/2028	\$0.04	\$0.04	114.9%	2%	\$0.007
28/11/2024	8/11/2025	\$0.01	\$0.01	114.9%	2%	\$0.007
28/11/2024	28/11/2026	\$0.02	\$0.02	114.9%	2%	\$0.006

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## 15. CONTINGENCIES AND COMMITMENTS

In the opinion of the Directors, the Group did not have any commitment or contingencies at 30 June 202 (2024: 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	
	2025	2024
<b>BDO Audit Pty Ltd</b>	\$	\$
<b>Audit and/or review of financial statements</b>		
<b>Fee for the review of the financial report for half year period ended 31 December</b>	46,920	33,150
<b>Fee for the audit of the financial report for the year ended 30 June</b>	90,687	58,000
<b>Total remuneration of auditors</b>	<b>137,607</b>	<b>91,150</b>
<b>Other services</b>		

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NOTES TO THE FINANCIAL STATEMENTS (cont.)

<b>Non – assurance services relating services provided by an entity related to BDO Audit Pty Ltd</b>		
<b>Early-stage commercialisation</b>	8,335	
<b>R&amp;D assistance</b>	11,516	11,189
<b>Total remuneration of other services</b>	<b>19,851</b>	<b>11,189</b>

17. INTEREST IN CONTROLLED ENTITIES AND JOINT VENTURES

Name of entity	Principal place of business / country of incorporation	Ownership interest	
		2025 %	2024 %
<b>Parent entity</b>			
Papyrus Australia Ltd (a)	Australia		
<b>Subsidiaries</b>			
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
<b>Joint Venture</b>			
Papyrus Egypt LLC	Egypt	50	50
<b>Associate</b>			
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	
	2025	2024
	\$	\$

<b>Financial assets</b>			
Cash and cash equivalents	5	305,329	366,971
Trade and Other receivables	6	519,985	1,219,316
<b>Total financial assets</b>		<b>825,314</b>	<b>1,586,287</b>
<b>Financial Liabilities</b>			
Financial liabilities at amortized cost			
Trade and payables	10	696,833	584,888
<b>Total financial liabilities</b>		<b>696,833</b>	<b>584,888</b>

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 and foreign exchange sensitivity

The Group's policy is to minimise 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, sundry payables and R&D borrowing, which are subject to variable interest rates.

The Group is not materially exposed to foreign currency risk, as all financial assets and liabilities at each reporting date are denominated in Australian Dollars. The only exception is a cash balance held in Egypt, denominated in Egyptian Pounds as disclose in Note 5. Given the limited size and nature of this exposure, the Group considers its foreign currency risk to be insignificant.

- 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 a borrowing facility in place, totaling \$444,074 outstanding as at

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the reporting date 30 June 2025 (2024: \$470,655). The borrowing is of a short-term nature with interest rate ranging 12%-16% 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 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 2025: \$0 (2024: \$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, '12-month 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 2025.

As at 30 June 2025, 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).

The shares and options issued to the Executive Chairman, Mr. Jawhari were approved at the 2024 AGM.

Mr. Rigano remuneration of \$14,000 was for the role of Company Secretary for the period 1 November 2024 to 30 June 2025.

In prior year, the Company entered into a service agreement with L39 Capital, a shareholder that David Attias is a common director. The service agreement is to make the introduction and facilitate the collaboration between Papyrus and Thanh Dung Co. the potential joint venture partner in its Vietnam, with the objective of executing a joint venture agreement and the establishment of such joint venture. Milestone 1 of the agreement was achieved during the year, and an expense of \$30,000 has been accrued at 30 June 2025 for the service (2024: nil). Such payment is subject to shareholders' approval.

### (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'.

Adj. Prof. Al Jawhari	Executive Chairman (appointed 16 July 2024)
Mr Edward Byrt	Non-Executive Director (retired 18 November 2024)
Mr David Attias	Non-Executive Director
Mr Vincent Peter Rigano	Non-Executive Director and Company Secretary (retired as Company Secretary 25 August 2025)
Mr Brad Lemmon	Non-Executive Director (appointed 2 October 2024)
Mr Nick Di Girolamo	Non-Executive Director (appointed 29 October 2024) (resigned 1 September 2025)
Mr Jim Huang	Non-Executive Director (appointed 8 November 2024) (resigned 5 September 2025)
Mr Daniel Schmidt	Chief Operations Officer (appointed Chief Executive Officer 4 August 2025)

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## 20. KEY MANAGEMENT PERSONNEL DISCLOSURES

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

	Consolidated Group	
	2025	2024
	\$	\$
Short-term employee benefits	202,998	199,765
Post-employment benefits	21,762	21,863
Share based payments	427,683	-
<b>Total remuneration paid to key management personnel</b>	<b>652,443</b>	<b>221,628</b>

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 2025.

### 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	
	2025	2024
	\$	\$
<b>Statement of Financial position</b>		
Assets		
Current assets	1,001,525	1,594,357
Non-current assets	3,021	1,127,567
Total Assets	1,004,546	2,721,924
Liabilities		
Current Liabilities	666,833	584,888
Non-current liabilities	-	-
Total liabilities	666,833	584,888
Equity		
Issued capital	27,273,841	26,452,781
Accumulated losses	(28,408,242)	(25,607,643)
Reserves	1,472,114	1,291,898
Total equity(deficit)	337,713	2,137,036
<b>Statement of Profit or Loss and other Comprehensive Income</b>		
Total loss for the year	(2,830,599)	(644,060)
Other comprehensive loss	-	-
<b>Total comprehensive loss</b>	<b>(2,830,599)</b>	<b>(644,060)</b>

### 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

As at 30 June 2025, the Group and the parent entity has a capital commitment of \$108,072 in relation to the remaining payments to be made to supplier for the pilot plant and \$26,000 Project Fee in relation to its service fee with University of South Australia (30 June 2024: nil).

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## 22. MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

On 4 August 2025, the Group raised \$262,000 in capital through a placement to Sophisticated Investors of 26,200,000 shares and 13,100,000 unlisted options. The unlisted options have an exercise price of \$0.02 per option converted, and an expiry date of 12 months from issue date.

On 4 August 2025, Papyrus Australia appointed Daniel Schmidt as Chief Executive Officer. His remuneration package includes a base salary of \$205,000 per annum, increasing to \$230,000 effective 1 January 2026, plus statutory superannuation contributions.

On 5 August 2025, The Group issued notices of termination to BPE Investments Pty Ltd and Union Pacific Investments Pty Ltd in relation to the Independent Services Deed executed on 29 August 2021, and to BPE Investments Pty Ltd and Union Pacific Equities Pty Ltd in relation to the Independent Services Deed executed on 23 June 2023.

On 11 August 2025, The Group was awarded a grant of \$250,000 matched funding to support the early-stage commercialisation of its proprietary banana fibre processing technology.

This grant provides funding for the Rapid Prototyping and R&D Facility at the University of South Australia. The work from this facility is essential for the transition of -scale proof of concept to commercial scale design. The projects initial focus will be the scaling of the design along with product prototyping and testing once the equipment installation has been completed.

Product trials have commenced, with initial samples produced via outsourced facilities. Major equipment procurement is underway to fast-track technical implementation.

On 20 August 2025, the Group entered a binding term sheet with TBS Mining Solutions Pty Ltd ("TBS"), a wholly owned subsidiary of Aquirian Limited (ASX: AQN), to manufacture a biodegradable version of their Collar Keeper® product. Papyrus is excited to be working with TBS to on the next iteration of their Collar Keeper®.

Using Papyrus's patented technology for the conversion of plantation waste into paper and board products, coupled with the technical specification and knowledge from TBS,

the parties have completed the required laboratory and field-testing trials to progress to commercialisation of the Biodegradable Collar Keeper®.

The Biodegradable Collar Keeper® will be manufactured in Adelaide Australia at the Papyrus commercial production facility that is currently under development. It is expected that the site will be commissioning in Q4 of FY26. The term sheet provides contract revenue: \$4.2 million (circa) and, a 3-year term with a 3-year option to extend.

On 20 August 2025, Perfection Australia Group Pty Ltd ('PAG') and Union Pacific Equities Pty Ltd ('UPE')(together, the 'Plaintiffs') filed an application in the Supreme Court of New South Wales under sections 247A and 247B of the *Corporations Act 2001*(Cth) and rule 5.3 of the *Uniform Civil Procedure Rules 2005* (NSW) ('Application') against Papyrus Australia Limited (ASX: PPY)('Papyrus').

Pursuant to the Application, the Plaintiffs have sought an order for preliminary discovery and, in the alternative, an order authorising them to inspect and make copies of the books of Papyrus in relation to a number of matters including its engagement of L39 Capital Pty Ltd and Papyrus' investment in Egyptian Banana Fibre Company and Papyrus Egypt.

The Board is currently reviewing the Application and has sought legal advice in relation to its response.

On 1 September 2025 Mr. Nick Di Girolamo (Non-Executive Director) resigned.

On 5 September 2025 Mr. Jim Huang (Non-Executive Director) resigned.

On 13 September 2025, the Group received a notice from L39 Capital Pty Ltd to terminate the corporate services engagement agreement originally executed on 26 November 2024, as disclosed in Note 10(b). At the date of the financial statements, the Board is still considering the purported termination of the services. Fees payable to L39 under the service agreement for completed milestone remain accrued for at 30 June 2025, but not yet paid by the date of these financial statements, and in the event that the services agreement is terminated, the accrued fees will be reversed in the subsequent year.

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 2025

### Basis of Preparation

This Consolidated Entity Disclosure Statement (CEDS) has been prepared in accordance with the Corporations Act 2001, reflecting the amendments to section 295(3A)(vi) and (vii) which clarify the definition of foreign resident as being an entity that is treated as a resident of a foreign country under the tax laws of that foreign country. These amendments apply for financial years beginning on or after 1 July 2024. The CEDS includes certain information for each entity that was part of the consolidated entity at the end of the financial year in accordance with AASB 10 Consolidated Financial Statements.

### Determination of Tax Residency

Section 295(3B)(a) of the Corporation Acts 2001 defines Australian resident 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. Section 295(3A)(a)(vii) requires the determination of tax residency in a foreign jurisdiction to be based on the law of the foreign jurisdiction relating to foreign income tax.

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.

Entity name	Entity type	Place formed / Country of incorporation	Ownership interest %	Australian resident	Foreign jurisdiction(s) in which the entity is a resident for tax purposes (according to the law of the foreign jurisdiction)
Papyrus Australia Ltd	Body Corporate	Australia	-	Australia	N/A
Papyrus Technology Pty Ltd	Body Corporate	Australia	100.00%	Australia	N/A
PPY Manufacturing Pty Ltd	Body Corporate	Australia	100.00%	Australia	N/A

Australian Advanced Manufacturing Centre Pty Ltd	Body Corporate	Australia	100.00%	Australia	N/A
Papyrus Egypt LLC	Body Corporate	Egypt	50%	N/A	Egypt
Egypt Banana Fiber Company	Body Corporate	Egypt	39.22%	N/A	Egypt

## Directors' Declaration

### The Directors of the Group declare that:

- the financial statements and notes for the year ended 30 June 2025 are in accordance with the Corporations Act 2001 and:
  - 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
  - give a true and fair view of the financial position and performance of the consolidated group;
- the acting Chief Executive Officer and Company Secretary have given the declarations required by Section 295A that:
  - the financial records of the Group for the financial year have been properly maintained in accordance with section 286 of the Corporations Act 2001;
  - the financial statements and notes for the financial year comply with the Accounting Standards; and
  - the financial statements and notes for the financial year give a true and fair view.
- the financial statements and notes for the financial year comply with the Accounting Standards; and
- the financial statements and notes for the financial year give a true and fair view.
- In the Directors 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.
- 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.



**Adj. Prof. Al Jawhari**  
Executive Chair

29 September 2025

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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 2025, 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:

- (i) Giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year ended on that date; and
- (ii) 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.

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### 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.

#### Impairment of Investment in PPYEg and EBFC

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%, which had been accounted for using the equity method in accordance with AASB 128 <i>Investments in Associates and Joint Venture</i> to 31 December 2024. Subsequent to this date, the Group determined that it no longer had joint control of Papyrus Egypt and ceased using the equity method. At 30 June 2025 the Group identified impairment indicators in relation to the carrying value of this shareholding and undertook an impairment assessment which resulted in it being written down to nil.	Our audit procedures to address the matter included, amongst others: <ul style="list-style-type: none"> <li>• Seeking confirmation regarding any changes to the Group's shareholding in the investees</li> <li>• Reviewing meeting minutes, correspondences between parties and other relevant documents to assess the loss of joint control evaluation.</li> <li>• Evaluating management's assessment of the recoverable amount, the resulting impairment losses</li> <li>• Assessing the appropriateness and accuracy of the disclosures to the financial statements in accordance with the applicable Australian Accounting Standards.</li> </ul>
This is a key audit matter because of the significant management judgement involved in the assessment of whether and when the Group lost joint control over its investment in Papyrus Egypt, the recoverable amount of the investment subsequent to this, and the consequential accounting implications.	

#### Other information

The directors are responsible for the other information. The other information comprises the information contained in the director's report for the year ended 30 June 2025, 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 remainder of 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 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.

If, based on the work we have performed, 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.

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When we read the remainder of 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/media/bwvicgre/ar1\\_2024.pdf](https://www.auasb.gov.au/media/bwvicgre/ar1_2024.pdf)

This description forms part of our auditor's report.

### Report on the Remuneration Report

#### Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 17 to 20 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Papyrus Australia Limited, for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.



### Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

BDO Audit Pty Ltd

Linh Dao  
Director

Adelaide, 29 September 2025

## 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

- 602,881,733 Fully paid ordinary shares are held by 1,809 individual shareholders.

All issued ordinary shares carry one vote per shares.

#### Options

- 96,145,454 Options are held by 16 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	233	0
5,001 - 10,000	232	0
10,001 - 100,000	884	1
100,001 and over	352	15
	<b>1,809</b>	<b>16</b>
Holding less than a marketable parcel	1,300	0

### Substantial shareholders

Ordinary shareholders	Fully paid	
	Number	Percentage
Certane Ct Pty Ltd <L39 Capital>	70,250,000	11.65
Bijo (Sa) Pty Ltd <Azer Family A/C>	30,756,400	5.10
Mr Ramy Azer <Azer Family A/C>	30,137,489	5.00
	<b>131,143,889</b>	<b>21.75</b>

### Twenty largest holders of quoted equity securities

Fully Paid Ordinary Shares		
	Number	Percentage
1 Certane Ct Pty Ltd <L39 Capital>	70,250,000	11.65
2 Bijo (Sa) Pty Ltd <Azer Family A/C>	30,756,400	5.10
3 Mr Ramy Azer <Azer Family A/C>	30,137,489	5.00
4 Mr Ehab Amir Nakhla Hennes	29,000,000	4.81
5 Greenway Ventures Pty Ltd <Aljawhari Family A/C>	25,000,000	4.15
6 Hennes Pty Ltd <Hennes Superannuation A/C>	17,450,000	2.89
7 Stroud Nominees Pty Ltd <Byrt Super Fund - Em Byrt A/C>	16,456,061	2.73
8 Perfection Australia Group Pty Ltd	15,594,444	2.59
9 Jaramas Pty Ltd <Boyle Family A/C>	14,997,791	2.49
10 Fay Fuller Foundation Pty Ltd <Fay Fuller Foundation A/C>	12,198,864	2.02
11 BNP Paribas Noms Pty Ltd	12,008,411	1.99
12 V P Rigano & Co Pty Ltd	11,625,445	1.93
13 Mr Karim Mohamed Hamdoun Abbas	11,125,000	1.85
14 Mr Stevo Hinic	9,910,091	1.64
15 Jewel Creek Ventures Pty Ltd <Aljawhari Sf A/C>	9,000,000	1.49
16 Stroud Nominees Pty Ltd <Byrt Super Fund A/C>	8,785,768	1.46
17 Mr Anthony Richard Lewis <Est Helen Joyce Schicha A/C>	7,347,359	1.22
18 Mr David Robert Woodward	6,513,401	1.08
19 Mr Djorde Belosevic	6,407,632	1.06
20 Mr Paul Lapere	6,109,751	1.01
	<b>350,673,907</b>	<b>58.17</b>

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