



# ASX Announcement

30 October 2024

## Terms Sheet signed for Papyrus Australia Patent Pending Phase 2 Technology Commercialisation and Deployment in Vietnam

Papyrus Australia Ltd (ASX: PPY) is excited to announce the signing of a joint venture terms sheet with Thanh Dung Co Ltd for the commercialisation and deployment of Papyrus' latest Australian patent pending phase 2 technology in Vietnam. This collaboration is an exciting opportunity for Papyrus Australia to continue the expansion of its innovative technology to transform banana plantation agriwaste into moulded fiber packaging in Vietnam.

### Partnership Overview:

The joint venture will leverage Papyrus' most recent patent pending phase 2 technology for processing banana agriwaste developed in Australia (announced 14 August 2024), allowing for the production of high-quality virgin fiber products intended for high quality sustainable packaging applications.

Thanh Dung Co, a diversified manufacturing company based in Vietnam and has significant carton-board production capacity from recycled cardboard and wastepaper and is an ideal partner for Papyrus to collaborate with on the further expansion of its technology. Thanh Dung Co has over 30 years' experience and is a highly respected contributor in the paper industry. Thanh Dung Co is a significant contributor to the circular economy with its recycling and carton-board production. Thanh Dung Co has access to 13,000 hectares of banana plantations around the Hai Duong Province, providing sufficient raw material for the venture and potential for the expansion of up to 15 similar sized production lines on the same site.

### Terms Sheet Key Features:

Under the terms of the agreement, Papyrus will hold a 51% stake in the Joint Venture, while Thanh Dung will maintain a 49% equity interest. Papyrus and Thanh Dung will collectively contribute \$1.0 million USD to the initial capital requirements of the joint venture and will seek external funding for an additional \$1.0 million USD.

Papyrus will supply equipment based on its patent pending phase 2 processing technology to the joint venture resulting in an equipment sale to the value of \$1.5 million USD to the joint venture. Papyrus will also provide ongoing support for the equipment and operation through a licence agreement. Thanh Dung will provide for the supply of plantation waste and management of local regulation and requirements for establishing the joint venture.

**Key Project Milestones:**

1. Complete detailed project feasibility assessments and due diligence – During Q2 of FY25
2. Sign Binding Joint Venture Heads of Agreement – During Q2 of FY25
3. Complete bankable project and business plan for the venture – During Q3 of FY25
4. Secure remaining funding requirements, form new JV entity and commence project – During Q4 of FY25

**Market Opportunity:**

The joint venture facility will have the capacity to produce up to 3,000 tonnes per year of moulded fiber products for export and sale locally with an indicative revenue of \$1.6 million USD per annum from the sale of products and carbon credits generated from the processing of plantation waste. The initiative represents a significant opportunity to enhance the local economy while promoting environmentally sustainable practices. The collaboration is expected to create new jobs and foster economic growth in the region by converting agricultural waste into valuable end products.

Al Jawhari, Executive Chair of Papyrus Australia, stated, “This partnership with Thanh Dung Co represents a pivotal milestone in our commitment to sustainability and innovation. By using the Phase 2 technology developed here in Australia as the basis for this project we are able to site to produce a significantly wider range of production outputs, setting a strong baseline for the technology moving forward. I am excited that we can not only contribute to environmental conservation but also creating a pathway for economic development in Vietnam. We believe that this project can set a benchmark for sustainable practices in the agricultural sector and we look forward to the journey ahead.”

Papyrus Australia is committed to driving sustainable solutions in waste management and is eager for the opportunities that this joint venture will bring to both Papyrus and Thanh Dung Co.

**About Papyrus Australia Limited**

Papyrus Australia Limited is an innovative company focused on the sustainable development of packaging and agricultural products made from banana fibre. Through our proprietary technology, we transform agricultural waste into valuable, eco-friendly products, contributing to a greener and more sustainable future.

Disclaimer: This announcement contains forward-looking statements, which involve estimates and projections regarding potential future performance. Actual results may vary and will depend on various factors.

**End of Announcement**