

ASX ANNOUNCEMENT

28 November 2025

CEO Business Update to Shareholders

Papyrus Australia Limited – Annual General Meeting

Dear Shareholders,

It is a privilege to present my first CEO's report to you at this Annual General Meeting. While the Executive Chair has outlined the strategic achievements and governance foundations, I will focus on the operational progress that is bringing Papyrus from research and development into commercial reality.

The TBS Collar Keeper® Contract

I am pleased to announce that we have finalised negotiations with TBS Mining Solutions (TBS), a subsidiary of Aquirian Limited, and have now signed the full contract for the manufacture and supply of Biodegradable Collar Keeper Products to TBS. This is a significant milestone for Papyrus.

The key contract highlights are:

- Contract Revenue: circa \$4.2 million over the initial term of supply
- Term: 3.5 years with a 3-year option to extend
- Product: Biodegradable Collar Keeper® Products
- Supply Commencement: Anticipated for Quarter 4 of FY26

This contract is strategically significant in the following ways:

- Exclusive Global Production Rights: Papyrus will be the sole manufacturer of biodegradable Collar Keeper® products for TBS.
- Environmental Impact: Its biodegradable nature removes the need for post blast retrieval, eliminating plastic waste and supporting more sustainable mining practices. The product will be complementary to TBS's existing range, offering customers seamless integration into current operations while providing an additional alternative to meet varying site requirements.
- Commercialisation of Technology: This contract marks the transition to commercial operations since resetting the business in last year.

To date we have Achieved:

1. Prototyping and testing of Papyrus Technology and fibre with flat products

2. Prototyping and testing of Papyrus flat products for use in the Collar Keeper® application
3. Executing the contract to manufacture and supply to TBS

Our next steps to enable supply commencement are:

1. Fabricate and assemble the commercial scale plantation waste conversion equipment
2. Execute the contract for board production
3. Produce and deliver 200 product samples
4. Sample testing and acceptance by TBS

For further details on the contract please see the announcement released today.

Adelaide Rapid Prototyping & R&D Facility

The Adelaide Rapid Prototyping and R&D Facility is central to Papyrus's transition from research into commercialisation. Over the past months, we have achieved significant operational milestones that now position the facility as the backbone of our technology and product development.



We have made key progress in the following areas:

- **Primary Processing Trials:** We have continued validating the prototype design, with improvements made to material transfer stages. These refinements ensure consistent fibre flow through the process, which is critical for scaling production.
- **Prototype Pulp Line:** All major pulp line equipment has now been shipped and is being delivered in the coming weeks ready for installation. This line will allow us to optimise pulp preparation stages ready for commercial scale operations early next year for the TBS contract.

- Moulding Line Commissioning: Importantly, the prototyping moulding line has been delivered and installation is complete. Commissioning is now in process, which will enable us to produce a wide range of fibre-based moulded products and prototypes.
- Collar Keeper® Development: We have conducted further fibre board sample testing, specifically for the Collar Keeper® application. This further testing has begun to optimise the product specifications for use in the Collar Keeper® application.

With commissioning underway, the Adelaide facility will soon be fully operational, providing the platform to validate new product applications, demonstrate our technology to industry partners, and accelerate commercialisation.

Outlook – Execution Priorities

Looking ahead, our operational priorities are clear:

- Commission and fully operationalise the Adelaide R&D Facility.
- Deliver Collar Keeper® samples and achieve acceptance testing with TBS.
- Scale production for TBS to meet contracted volumes by mid-2026.
- Continue product diversification into packaging and consumer applications.

Closing Remarks

Shareholders, Papyrus is now at the inflection point: from R&D investment to commercial execution. The TBS contract provides validation and visibility to revenue, while the Adelaide facility gives us the technical capability to deliver. Together, these achievements mark the beginning of Papyrus's journey as a revenue-generating, globally relevant sustainable technology company.

I thank our staff, partners, directors and shareholders for their commitment and support.

Thank you



Daniel Schmidt

Chief Executive Officer

Papyrus Australia Ltd

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