



## **ASX Release**

**29 November 2023**

### **Chairman's report to the AGM on 29 November 2023**

This report is presented to shareholders on behalf of the board.

I refer shareholders to the Company's Operations report contained within the published Annual Report for 2023, which gave a satisfactory overview of the activities of the company during the past financial year.

Last year I welcomed Shareholders to the AGM acknowledging that after several years of trial and error in Egypt, we had reached a new stage where the Egyptian Government had committed to establish a "national banana plantation waste retrieval industry", applying the Papyrus technology to process banana plantation waste and to focus on the manufacture of banana fibre pulp for the production of food packaging to replace plastic packaging.

Egypt generates a significant volume of banana plantation waste annually within established banana plantations in the Nile Valley and the Delta, and to date there has been no system to retrieve and commercially process this valuable resource.

The Egyptian Government acknowledged that Papyrus Australia has the technology to enable the process and conversion of banana plantation waste into valuable environmentally friendly products and at the same time to prevent the emission of methane gas into the environment.

Since the Egyptian Government first signed a Co-operation Protocol with Papyrus Australia in April 2022, then agreed a Roadmap to progress the creation of the "national banana plantation waste retrieval industry", the Government of Egypt signed a Project Contract with Papyrus Egypt to establish the first commercial "moulded banana fibre products" factory to be established in Cairo, and to be run by the Ministry of Military Production with the assistance of Papyrus Egypt.

Starting production at the end of the supply chain gives the Ministry the confidence that the future establishment of banana plantation waste processing facilities in banana plantations will have an established path to market for the moulded fibre products.

The new Papyrus moulding machinery to produce banana fibre products arrived in Cairo in October 2023, and the Government of Egypt made the initial payment to Papyrus Egypt in accordance with the Project Contract as recently announced to the market. Work is now underway to complete the installation of all machinery and equipment required for the factory in Cairo.

It is a pleasure to be able to confirm that the past year has been as productive as we could have hoped in Egypt, especially in the development and improvement of new proprietary technology which is the subject of a comprehensive International Patent Application in Australia for "producing mouldable cellulosic fibrous material".

## **Papyrus Australia expands its horizons**

In addition to the developments in Egypt the company has had three main areas of focus:

1. The team has commenced the engineering and design work to modularize the process developed in Egypt so it can be readily deployed to new locations and facilities.
2. The team has also commenced developing the equipment supply chain capability to fabricate, deliver and install equipment into new locations and facilities.
3. Following a very successful promotion at COP27 and the ongoing business development the team are following through with a number of positive new potential partners in other major banana growing regions, namely, The Philippines, South America and India. While it is too early to announce any of the projects specifics they have commenced prefeasibility studies in these locations.

## **The Future**

The Immediate Future

- A Budget and a detailed Business Development and Marketing Plan have been developed with a focus on establishing the technology supply chain and new production facilities
- We have a strategy in place to take 100% control of Papyrus Egypt (**PPYEg**) which will require an EGM for our Shareholders to approve
- Strengthening PPYEg by sustained profitability will eventually relieve Papyrus Australia from financially supporting PPYEg
- Promoting our technology to other plantation owners and investors in Egypt and Africa
- Measuring and monetizing the greenhouse gas assets achieved through the abatement of methane gas otherwise emitted by decomposing banana plantation waste
- The most promising locations we are working with outside of further development in Egypt and Africa are The Philippines, South America, and India. As each of these opportunities develop we will keep the market informed of material developments.

## **Governance**

I thank the directors for their ongoing support and guidance which is greatly appreciated. I also record our thanks and appreciation to retired Managing Director Ramy Azer who continues to enthusiastically represent the Company in Egypt.

Our most immediate tasks now are to ensure that Papyrus Egypt is fully supported to achieve its absolute business potential, and that we develop revenues and become a profitable company for shareholder benefit.

We have been valuably supported by our Chief Executive – Daniel Schmidt – for whom we are grateful for his valuable contributions advancing the company’s opportunities especially outside of Egypt.

### **Remuneration**

The board is committed and working with determination and perseverance to achieve a sound and a sustainable future for the Company.

Executive Director Pascal Gouel receives a modest remuneration as reported in the financials, but as a matter of record, the other directors do not receive remuneration and some directors have not taken any fees since late in 2010. No liability is accruing for any of these items. The directors are all absolutely committed to this company and its potential, and I am hopeful that this issue will be addressed by the end of the present financial year.

I thank the directors for their tireless commitment to the future of Papyrus Australia and I thank the shareholders for their patience. I am looking forward to an exciting and positive future.

### **Conclusion**

There is no doubt in my mind that Papyrus Australia has emerged stronger than ever after the past years’ work and investment supporting new and improved foundations in Egypt.

We are now a corporate entity with an expanding team of capable executives ready to carry on with the work started by the founder Ramy Azer in the 1990’s.

Edward Byrt  
Chairman  
29 November 2023