



ASX ANNOUNCEMENT

29 September 2022

Monthly Activity Report for August 2022

Papyrus Australia Ltd (ASX: PPY) advises that the Company has moved from quarterly activity reports to monthly activity reports to keep the market more informed regarding its activities. **This monthly report pertains to the month ended 31 August 2022** and the Monthly Appendix 4C cash flow report released to the market on 29 September 2022.

The focus of the Company in the past month has been:

- To support the Papyrus Egypt Company activities in Egypt, which provide increasingly positive results, and
- To continue activities pursuing new opportunities to exploit its technology.

This report and future monthly reports will focus on two topics, namely:

- Corporate activities of Papyrus Australia Ltd in Australia, and
- Operational activities of Papyrus Egypt Company (LLC) for the manufacture of banana fiber products in Sohag, Egypt.

Highlights

- Papyrus Australia develops phase 1 proposals for Egyptian Government Roadmap
- The Papyrus Egypt plant in Sohag upscale of operations to triple production capacity

Papyrus Australia Ltd

Egyptian Government Developments

1. As previously announced to the market (ASX Announcement: 1 June 2022), the Egyptian Government, via the National Authority for Military Production (the Ministry), has signed a Cooperation Protocol and Roadmap with Papyrus to establish a national industry in Egypt to retrieve, process and repurpose banana plantation waste utilising the Papyrus technology and IP, as part of the Egyptian “national waste retrieval and repurposing program”.
2. Papyrus Australia has prepared and sent to the Ministry the commercial proposals for phase one of the roadmap. The phase one proposal involves the sale of equipment from Papyrus to the Ministry to produce 100% biodegradable packaging products from Banana Plantation Waste at a commercial scale.

Other Business Development

3. Papyrus Australia has commenced engagements with a number of top tier banana growers to build understanding and interest in the technology, products and application. The regions targeted have been Australia, Thailand, Philippines, Indonesia, South America and Kenya. The

initial feedback has been very positive for the valuable use of what is now a waste by-product of banana plantations and the potential for access to an economical source of organic fertilisers.

Papyrus Egypt

Operational Activities

4. The upgrades to the Papyrus Egypt fibre processing plant in Sohag Egypt continues to progress well with the main conversion technology now linked on a continuous basis.
5. The Plant has been able to achieve the targeted production throughput rate of 6 tonnes per hour during the commissioning trials.

European Bank for Reconstruction and Development (EBRD) Support

6. As previously announced (ASX Announcement 5 July 2022), the European Bank for Reconstruction and Development (EBRD) agreed to provide funding support for an independent consultant to develop a five-year business plan for the full commercialisation of the Papyrus Egypt production facility in Sohag Egypt.
7. The independent consultant has completed the initial report and recommendations for improvement to Papyrus Egypt.
8. The initial quick win recommendations from the report are in the process of being implemented to improve the speed of commercialisation and returns to Papyrus Egypt.
9. During the reporting month the following payments were made to related parties:
 - \$2,750 to Chikarovski & Associates for consultancy services rendered by Kerry Chikarovski as Company Director; and
 - \$20,833 to the Managing Director in accordance with the remuneration agreement.

No other payments were made to a related party.

10. The expenditure reported in the August 2022 Appendix 4C cash flow report for Papyrus relates primarily to:
 - staff costs
 - compliance costs and related expenses
 - expenditure relating to the Papyrus Egypt operations at the Sohag and Sharqiah factories.

Except for the payment referred to under corporate activities during the month, there was no other payment to an associate or a related party.

As approved by the Board.

ENDS