



ASX ANNOUNCEMENT

27 January 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 December 2021** and the Monthly Appendix 4C cash flow report released to the market on 27 January 2022.

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

- to support the Papyrus Egypt Company (PPYEg) 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.

Papyrus Australia Ltd

Corporate Activities

1. Following the execution of the lease agreement for an operational moulded fibre packaging facility in Sharqiah, Egypt, the focus in the current period was to produce and test moulded fibre packaging products utilising 100% banana fibre, which led to the announcement by the Company that the Sharqiah factory had produced a world first 100% banana fibre burger clam shell packaging product (ASX announcement 7 January 2022)
2. The Company continues to field enquires from various organisations that are interested in implementing the Company's technology.
3. The Company continued to field enquires from potential users of the technology from other countries.
4. The Company continued the development of a sales and marketing plan, which will focus on how the Company's technology will be rolled out.

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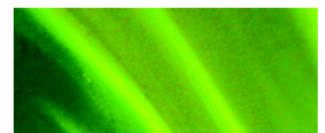
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5. During the reporting month, a payment of \$20,833 was made to a related party in accordance with the remuneration agreement for the Managing Director

Papyrus Egypt Company (PPYEg)

Operational Activities

- Demand for Fibre raw material to produce moulded fibre packaging products utilising 100% banana fibre at the Sharqiah factory has a flow-on effect in that it will increase the production of “Musa”
- Demand for ‘Musa’ continues to grow, with the addition of new clients wishing to purchase the product.
- The other focus during the reporting period was to test and modify the outsourced clam shell moulds in Sharqiah factory, to ensure
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- that the moulds were ready to commence production of food quality moulded banana fibre packaging products to replace plastic packaging.
- Research and development continued at the Sohag factory in order to upscale the production capacity and improve the quality of the fibre, required for moulded products.

Consolidated Financial Reporting

The expenditure reported in the December Appendix 4C cash flow report (ASX: Announcement 27 January 2022) for PPY 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