



ASX ANNOUNCEMENT

23 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 July 2022** and the Monthly Appendix 4C cash flow report released to the market on 23 August 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.

Highlights

- COP27 Conference preparation to showcase the Papyrus technology
- The Papyrus plant in Sohag upscale of operations to triple production capacity
- The Papyrus plant in Sohag received a delegation from the Egyptian Government and European Bank for Reconstruction and Development
- Pascal Gouel appointed as Executive Director – International Business

Papyrus Australia Ltd - Corporate Activities

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, 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. This strategic partnership to establish a national industry, will create a model for global expansion of the Papyrus technology. The significance of this has been elevated, following the Egyptian Government ‘Global Waste Initiative 50 by 2050’ concept to be presented at the UN Climate Change Conference (CoP27) which will be held in Egypt in November 2022. The Initiative intends to increase the African treatment and recycling rate of waste from less than 10% to 50% by 2050.
3. The Global Waste Initiative will address core challenges at the continental level by bringing together Nations, Governments, international organisations and institutional donors, NGO’s,

waste management companies and finance and investment entities to form a global coalition for global impact. This global cooperation aligns with the Papyrus philosophy to promote a circular economy whereby a valuable product is created from waste materials that would otherwise negatively impact an already deteriorating environment at a community level and ultimately a global level.

4. The proposed Global Waste Initiative will catalyse greater investment into waste management ecosystems and resources by increasing treatment and recycling capacities such as the Papyrus processing technology.
5. These global waste investments will contribute directly to address multiple UN Sustainable Development Goals and generate a positive impact on planetary crises by addressing climate change. The environmental, social and economic impacts at a local community level becomes a theory of change model for wider impact. The Papyrus processing plants in Egypt demonstrate this model.
6. As previously announced to the market (ASX Announcement: 1 August 2022), Egyptian Government officials from the Ministry of Military Production (the Ministry) and delegates from the European Bank of Reconstruction and Development (EBRD) visited the Papyrus plant in Sohag to inspect the technology and progress of upgrades to the capacity.

Executive Director Appointment

7. As previously announced to the market (ASX Announcement: 29 July 2022), Papyrus has appointed Pascal Gouel as Executive Director – International Business Development, effective from 29 July 2022.
8. Mr Gouel's appointment is an important step in facilitating the Company's strategic objectives in the international market. Pascal's time spent working in Egypt, Kuwait, Saudi Arabia and the United Arab Emirates will be invaluable in assisting the Company in finalising the commercialisation agreements with the Egyptian Government and Al-Ahram.

Other Items

9. The Company continued to field enquires from potential users of the technology from other countries.
10. 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.

Papyrus Egypt Company (PPYEg)

Operational Activities

11. The Papyrus Egypt fibre processing plant in Sohag Egypt, will become a showcase for the CoP27 Conference. Delegates will be welcome to view this model, developed for the Egyptian Government partnership.
12. The Sohag factory has been undergoing an upgrade to increase capacity and throughput, as part of the upscale plan to triple the production capacity to 6 tonnes per hour.

13. The increased production capacity at the Sohag factory will ensure that sufficient refined fibre and treated refined fibre pulp is available to supply the demand for moulded products from Al Ahram and the Papyrus Egypt Sharqiah facility.
14. The strategic partnership Papyrus has established with “Al Ahram for Plastics Manufacturing” will enable their transition from plastic to banana fibre-based packaging – the first such transition worldwide, and the beginning of a new era of sustainable packaging products in Egypt. This creates a model for small manufacturing transition – with global implications.

European Bank for Reconstruction and Development (EBRD) funding

15. 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 PPYEg production facility in Sohag Egypt.
16. The EBRD funded business plan now underway, will focus on the existing productive Papyrus facility in Egypt, to provide the basis and platform for the future expansion of the technology and production facilities in the region. This includes Africa where 60% of the worlds banana and plantain are grown, with some 16 million acres of plantations producing an estimated 1.5b tonnes of plantation waste each year that can be converted to valuable products with Papyrus technology.
17. The EBRD continues to progress plans for expansion of its support into sub-Saharan Africa and is committed to furthering progress towards ‘market-oriented economies and the promotion of private and entrepreneurial initiative’ with emphasis on the private sector as the main driver for change. Bringing external capital from both private and public sources, EBRD is committed to ensuring that, by 2025, the majority of their business volume is green. This expansion into Africa aligns with the commercialisation and expansion of Papyrus.
18. The patented Papyrus technology has global significance as a driver for change. Our world-first technology was developed to address sustainability, environmental degradation and create local economic and social community opportunities. We look forward to working with the EBRD on future projects to expand the application of the technology in the region, and to partner with the global coalition for global impact.
19. The expenditure reported in the July 2022 Appendix 4C cash flow report 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.

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