



## ASX ANNOUNCEMENT

29 June 2023

### Monthly Activity Report for May 2023

**Papyrus Australia Ltd** (ASX:PPY) is pleased to report its activities pertaining to the month of April 2023 and the monthly Appendix 4C cash flow report released to the market on 29 June 2023.

The focus of the Company for the month has been:

- Expanding the commercialisation activities for Papyrus Australia Ltd, and
- Operational activities of Papyrus Egypt Company (LLC) for the manufacture of banana fibre and liquid organic fertiliser in Sohag, and food packaging products in Sharqiah.

### Highlights

- Retirement of the Managing Director from the Board and management role
- Appointment of an interim CEO
- The independent valuation of Papyrus Egypt for the proposed consolidation with Papyrus Australia
- Assembly of the mechanical equipment for the moulding plant contract with the Egyptian Government

### Papyrus Australia Ltd

#### Egyptian Government Developments

1. Egyptian Government's National Authority for Military Production (MP) contract execution update: The final assembly of all mechanical equipment for the banana fibre moulding plant was conducted in May with factory acceptance testing undertaken. Delivery, installation and commissioning of the MP plant is due to take place over the coming months.

#### Other Business Development

2. Mr Ramy Azer, the founder of the company and Managing Director has retired from his Papyrus Australia Board appointment and management role to concentrate on Papyrus projects in Egypt requiring his dedicated engagement. These include:
  - facilitating the planned consolidation of Papyrus Egypt with Australia
  - the contracted banana fibre moulded products factory for the MP, due for installation and commissioning over the coming months
  - continuing provision of technical support for Papyrus in the development of commercial-scale facilities modelled on our Egypt operations.
  - representing Papyrus in our relationship with the Government of Egypt and other strategic relationships in the region.
3. Mr. Azer's unwavering commitment, passion, and tireless efforts drove the development and growth of Papyrus, and under his leadership Papyrus successfully transformed innovative ideas into tangible realities, paving the way for ground-breaking advancements in the utilisation of banana plantation agri waste in the paper, fibre and pulp industries. Instrumental in positioning the company as a frontrunner in the conversion of banana plantation agri waste for valuable and sustainable environmentally friendly products, his

dedication and strategic acumen played a crucial role in securing our first commercial agreements for the supply of equipment with the Egyptian Government. Mr Azer will continue in a non-executive role, providing continued support to the business and to the interim CEO.

4. The Board appointed Mr Daniel Schmidt as interim CEO during the proposed consolidation process and will then review the governance and management needs moving forward. Having served as the company's Chief Operating Officer, Mr Schmidt has played a vital role in the development and execution of our business strategy and possesses a comprehensive understanding of our operations and the evolving market landscape for our products.
5. The proposal to consolidate Papyrus Egypt (PPYEg) enterprise within Papyrus Australia as announced in April, is subject to an independent valuation currently being conducted by BDO in Egypt.
6. The consolidation will align the entities more closely and benefit Papyrus with shared financial and operational resources and greater strategic and operational control. Following the completion of the independent valuation, an EGM will be held for shareholders to consider the proposed consolidation.

## **Papyrus Egypt**

### **Operational Activities and Business Development**

7. Papyrus Egypt is providing information and data required for the independent valuation of PPYEg being undertaken in preparation for the proposed consolidation with Papyrus Australia.
8. The Sohag fibre processing factory continues to work towards increasing the production of fibre to maintain the supply to the Sharqiah moulding facility in addition to the anticipated volume required to supply the MP moulding facility.

## **Financials**

### **Papyrus Australia Financial comments**

9. During the month of April, the following related party payments were made.
  - \$ 5,553 to CC&C Pty Ltd for consultancy services rendered by Pascal Gouel as Company Director, and reimbursement of expenses incurred.
10. The expenditure reported for the month ending in May 2023 Appendix 4C cash flow report for Papyrus relates primarily to:
  - Staff costs
  - Compliance costs
  - Other overhead related costs

Except for the payment referred to above during the quarter, there was no other payment to an associate or a related party.

As approved by the Board.

**ENDS**