



## ASX ANNOUNCEMENT

23 December 2022

# Monthly Activity Report for November 2022

**Papyrus Australia Ltd** (ASX:PPY) reports monthly to keep the market more informed regarding its activities. This monthly report pertains to the month ended 30 November 2022 and the Monthly Appendix 4C cash flow report released to the market on 23 December 2022.

The focus of the Company in the past 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

- The Papyrus Australia Chairman Mr Ted Byrt, Director and Company Secretary Mr Vince Rigano and Executive Director Business Development Mr Pascal Gouel visit to Egypt.
- COP27 Conference showcase of the Papyrus technology, stimulating new global business engagements

### 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. The Papyrus Australia Chairman Mr Ted Byrt visited the Papyrus operations in Egypt which coincided with the signing ceremony of the Cooperation Protocol and Roadmap - Phase One contracts, with the Ministry.
3. The Papyrus Managing Director Ramy Azer signed the contracts on behalf of Papyrus Egypt and was provided an opportunity to continue discussions with the Minister Eng. M. Salah al-Din Mustafa, who personally encouraged Papyrus to expedite the present project (Phase One), to progress future projects with the Ministry.
4. The priority of the phase one contracts is to supply and install a new banana fibre moulding plant which will convert 100% refined banana fibre into a range of biodegradable, sustainable moulded food packaging products including egg trays, fruit trays and cup holders, with the capacity to process 2,500 tonnes of banana fibre per year, producing approximately 35 million pieces of food packaging annually.
5. The second component of the phase one contracts is the moulded banana fibre product offtake agreement, in which Papyrus Egypt will procure all moulded products produced from

the new banana fibre moulding line to sell through its distribution network in Egypt. At full capacity this additional production has the potential for more than \$1.5m USD in additional end product sales annually by Papyrus Egypt.

#### **Other Business Development**

6. A Papyrus team including the founder and Managing Director Mr Ramy Azer, the CEO of Egypt Ms Heba Nayle, Executive Director Business Development Mr Pascal Gouel, represented Papyrus in the Green Zone at the Climate Conference COP27 which was held in Sharm El Sheik, Egypt from 6 to 18 November 2022.
7. The Green Zone is the platform for business and communities from all over the world to present, promote dialogue, awareness, education, and commitments via events, exhibitions, workshops and talks. The Papyrus team presented to a wide variety of visitors to the booth who expressed interest and praise for the application and perceived simplicity of the Papyrus Technology.
8. Over the 12-day period, the Green Zone was attended by tens of thousands of people from various countries and the Papyrus technology and products received great interest. Examples of visitors included architects, engineers, research personnel, private investors, government officials (including Ambassadors and Ministers), private equity fund managers, impact fund investors, environmentalists, organizations using food packaging, organizations using fertilizers and NGO officials and private sector representatives from various fields.
9. Significant tangible interest for joint ventures and partnerships with Papyrus was attained from African, Asian, South American and European visitors. Engagement is ongoing following COP27, to establish partnerships for fibre and fertilizer production and biodegradable food packaging products, which can stimulate further sustainable economic, environmental, and social opportunities in banana producing communities.
10. A number of interviews were held, both verbal and video with some notable local and international media outlets including local Egyptian tv stations, journals, the American Weather Channel and others.

### **Papyrus Egypt**

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

11. During the Egypt visit by Directors, the assessment by Mr Byrt of the Papyrus Egypt status and reputation was very positive and was derived from the objective and external opinions conveyed when meeting respected and experienced business partners and stakeholders.
12. The Directors were welcomed back to Egypt by the Governor of the Sohag Governate, the head of Engineering at Sohag University and the leadership community of Sohag. They expressed their appreciation to Papyrus for the sustainable community benefits developed by its local enterprise Papyrus Egypt, who is evidently held in high regard.
13. The Directors reacquainted with the management team and workers at the Sohag factory and inspected the recently added banana waste processing line which the team built and installed and is undergoing commissioning trials and improvements.
14. Mr Ahmed Noor was presented to the Directors as the recently appointed manager for fertilizer marketing and sales. He is responsible for improved recoveries of the liquid fertilizer and the introduction of new substantial corporate business customers.

15. The interactions with the Egypt teams, confirmed the 'family values' that have developed in the factory environment under the leadership of Papyrus Egypt CEO Ms Heba Nayle. The diverse group of males and females from different backgrounds and capabilities, are transported to and from work by the company and provided with a share lunch daily, prepared by staff at the factory. This is a reflection of the Papyrus values and an important element in the establishment of sustainable economic, social and environmental community business where we partner and operate.
16. In appreciation of Papyrus Egypt and Australia, the Directors were honoured guests for an evening, hosted by the extended village community, from which we source the most of our workers. This event was significant as reciprocal recognition and thanks from the village community for providing employment for their young people, solving an environmental problem and providing useful products such as the fertilizer. The community allow and respect the company's endeavours to achieve a real gender mix within the factory, the provision of ongoing training and development, loans, meals, transport and healthcare and most importantly, a sustainable business.
17. Papyrus Australia continues to explore ways it can further support developing the community initiatives that are underway by Papyrus Egypt. As Papyrus Egypt prepares to expand its workforce to fulfill contracts for the Papyrus technology, we would seek to expand the cultural and community engagement to support the local Sohag community.
18. During the reporting period the following payments were made to related parties:
  - \$2,750 to Chikarovski & Associates for consultancy services rendered by Kerry Chikarovski as Company Director; and
  - \$5,042 to CC&A Pty Ltd for consultancy services rendered by Pascal Gouel as Company Director.
19. No other payments were made to a related party.

The expenditure reported in the November 2022 Appendix 4C cash flow report for Papyrus relates primarily to:

- Staff costs
- Travel costs
- COP27 costs

Except for the payments referred to under operational activities and business development during the month, there was no other payment to an associate or a related party.

As approved by the Board.

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