



ASX ANNOUNCEMENT

29 November 2024

Monthly Activity Report for October 2024

Papyrus Australia Ltd (ASX:PPY) is pleased to report its activities pertaining to the month of October 2024 and the October monthly Appendix 4C cash flow report released to the market on 29 November 2024.

Highlights

- Papyrus Australia signed a Terms Sheet with Thanh Dung Co in Vietnam
- Two new non-Executive Directors were appointed to the board
- Papyrus receives \$332k Tax refund for FY24 for R&D Tax Incentives
- Progress of Papyrus Egypt (PPYEg) Consolidation with PPY
- PPY Project negotiations outside of Egypt

Papyrus Australia Ltd

1. In October Papyrus Australia signed a terms sheet with Thanh Dung Co Ltd in Vietnam for a Joint Venture production facility that will see the commercialisation and deployment of Papyrus' latest patent pending phase 2 technology developed in Australia. This collaboration is an exciting opportunity for Papyrus Australia to continue the expansion of its innovative technology to transform banana plantation agriwaste into moulded fibre packaging in Vietnam. Thanh Dung Co is a diversified manufacturing company with a significant carton-board production capacity utilizing recycled cardboard and wastepaper. With access to 13,000 hectares of banana plantations around the Hai Duong Province, the site has sufficient raw material for the initial development stage and there is significant potential for expansion on the same site. A detailed project feasibility assessment and due diligence is planned for early 2025, followed by the signing of a Binding Joint Venture Heads of Agreement.
2. Mr Brad Lemmon and Mr Nick Di Girolamo were appointed as non-Executive Directors to the Papyrus Australia Board.
3. Mr. Lemmon brings over 30 years of experience and a range of skills from materials, waste recovery and recycling industries, spanning operations, logistics, commercialisation and capability integration progressing strategy to execution with an international footprint. With key strengths in attracting strategic capital investment to activate growth opportunities and building high performing teams, Mr Lemmon is a highly effective business leader which will benefit Papyrus Australia in our next stage of growth and expansion.
4. Mr Nick Di Girolamo has been a solicitor for over 30 years and is a well credentialed high-stake commercial negotiator. Mr Di Girolamo has senior executive experience and robust leadership skills and is recognised for building strong long-term working relationships. Mr Girolamo brings commercial and financial management skills and strategic growth experience from a diverse portfolio of industries which is fundamental to the next stage of growth for Papyrus Australia.
5. The strategy to consolidate the Papyrus Australia and Egypt entities continues with legal and financial compliance and due diligence on the Egyptian side to meet the standards required for Papyrus Australia as a publicly listed company. This work is expected to be completed and presented to the Board to prepare for shareholder consideration.

6. Papyrus Australia continues to actively collaborate with a diverse range of potential partners to bring our innovative technology to new markets beyond Egypt. These collaborations are part of our strategic efforts to expand our global footprint and leverage our technology's potential across the equatorial banana growing regions. We are committed to keeping our stakeholders informed and look forward to sharing more detailed updates on these exciting opportunities as they progress through the different stages of development.

Papyrus Australia Financial comments

7. Papyrus Australia received a tax refund of \$332k from the Australian Government Research and Development Tax Incentive Program for FY24 expenditure on R&D related to both Phase 1 and 2 of its technology. Following the repayment of the R&DTI loans with Radium Capital together with interest costs and other related costs, the nett proceeds that Papyrus received was \$53k.
8. During the month of October 2024, no related party payments were made.
9. The expenditure reported for the month ending in October 2024 Appendix 4C cash flow report for Papyrus relates primarily to:
 - Staff costs
 - Audit and Compliance costs
 - Other overhead related costs

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

As approved by the Board.

ENDS