



ASX ANNOUNCEMENT

28 April 2023

Quarterly Activity Report for January to March 2023

Papyrus Australia Ltd (ASX:PPY) is pleased to report its activities **pertaining to the quarter ended 31 March 2023** and the quarterly Appendix 4C cash flow report released to the market on 28 April 2023.

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

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

Highlights

- An international patent application is published for Papyrus technology
- Australian key personnel travel to Egypt to review the operations and technology development in Sohag and Sharqiah
- Papyrus Australia ongoing development of the commercialisation pathway
- Papyrus commenced equipment fabrication for the first contract in the Cooperation Protocol Roadmap with the Egyptian Government
- Papyrus Egypt CEO Ms Heba Nayle is interviewed at the Sohag factory significantly increasing enquiries to Egypt and Australia
- Papyrus Australia EGM

Papyrus Australia Ltd

1. In February the Papyrus Chair Mr Edward Byrt, Executive Director Business Development Mr Pascal Gouel, Chief Operating Officer (COO) Mr Daniel Schmidt and Manager of Engineering Mr Peter Rostig travelled to Egypt to conduct a process overview of the fibre production facilities and production processes in Sohag and the moulding facilities and production in Sharqiah.
2. This review confirmed the production capability and identified any remaining development required for the final design of modularised primary processing plants.
3. Mr Daniel Schmidt (COO) travelled to North Queensland in February to meet banana farmers and discuss the Papyrus technology and products. Plantation waste samples were collected from several sites to review suitability of the raw materials for a processing plant. Strong interest in the Papyrus technology was received from farmers and the North Queensland Banana Growers Association.
4. The Papyrus Australia EGM held on 18 January 2023, considered the leadership of the company, following receipt of a request from four shareholders pursuant to section 249D of the Corporations Act. The two resolutions to remove Director Mr Edward Byrt and Director Mr Vincent Rigano were not carried. The Board has determined the most productive path forward from this outcome.

Other Business Development

5. Business development engagements conducted from Australia continues with international impact investment groups, potential joint venture partners, major banana growers, packaging manufacturers and other stakeholders. The discussions with key banana growers include global technology commercialisation, the structure of business partnerships with investors and the moulded packaging products market.
6. The Papyrus Australia Ltd International Patent application relating to the technology for the production of banana fibre and pulp to produce moulded fibre products has been published by the International Bureau of the World Intellectual Property Organisation. This patent application is an important step in the Company acquiring broad-ranging international patent protection for banana fibre and pulp production technology process.

Papyrus Egypt

Operational Activities and Business Development

7. The team have completed further equipment upgrades to ensure the plant can run sustainably at the target production rates.
8. The acquisition and fabrication of the equipment required for the MP moulding line commenced in January 2023.
9. The Sharqiah factory continued to produce moulded banana blended fibre egg cartons for commercial sale from banana fibre produced in Sohag.

Financials

Papyrus Australia Financial comments

10. In January 2023, a capital raise of A\$300,000 from sophisticated investors was finalised for working capital requirements.
11. During the quarter, the following related party payments were made.
 - a. \$ 5,514 to CC&C Pty Ltd for consultancy services rendered by Pascal Gouel as Company Director, and reimbursement of expenses incurred.
 - b. \$16,986 to Vince Rigano for reimbursement of travel and administration costs.
 - c. \$ 4,686 to Edward Byrt for reimbursement of travel expenses incurred.
12. The expenditure reported for the quarter ending in March 2023 Appendix 4C cash flow report for Papyrus relates primarily to:
 - a. staff costs
 - b. travel costs
 - c. engineering costs
 - d. overhead related costs
 - e. audit and compliance 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