



## ASX ANNOUNCEMENT 21 October 2021

### Lease executed for a fully operational moulded fibre packaging facility in Sharqiah, Egypt.

**Papyrus Australia Ltd** (“PPY”/“Company”/“Papyrus”), a world-leading agricultural waste fibre technology company, is pleased to advise that its joint venture company Papyrus Egypt (PPYEg) has signed a 12-month operational lease for control of a fully operational moulded fibre packaging facility in Sharqiah, Egypt. Commencing 1 November 2021, the lease includes rights of renewal for the following two years at the option of PPYEg.

The benefits of the lease for PPYEg are:

- The JV has immediate access to a toll manufacturing factory to fast track the commercial development of its moulded fibre packaging products.
- The factory will be managed by the existing management and toll manufacturing staff without the need for PPYEg to employ additional human resources.
- The anticipated output at full production is the equivalent of 5,000 clam shell food packaging products per hour of operation. Processed banana fibre will be supplied by the Sohag factory.
- Whilst the longer-term objective is to build a moulded fibre factory next to the existing facility at Sohag, in the short to medium term, PPYEg no longer needs to use capital to build its own moulded fibre products factory and is therefore able to fast track the development of its product range.
- The small capex expenditure required is for the manufacture of specific product moulds, which can subsequently be utilised at its own future facility in Sohag.
- An “off-take” agreement, with the Halim family operation Al Ahram, is under negotiation and expected to be confirmed before commencement of operations at Sharqiah, Egypt.

The importance of having a moulded fibre packaging products factory operating in an existing commercial environment is essential to the Company, as it will demonstrate its commercial scale capability to all prospective purchasers of its technology, using the abundant banana tree trunk waste available around the world.

The factory operations will have representatives from PPYEg and its future potential Egyptian Joint Venture partner Al Ahram present at the factory to monitor and document the production processes for banana fibre moulded packaging. Our fibre and process IP is respected and protected.

Managing Director, Mr Ramy Azer said, “This is an exciting time for Papyrus as it is another key step in proving the commercialisation strategy of its technology. This action will showcase PPY’s ability to offer the plastic food packaging market a cost competitive environmentally friendly alternative.”

Edward Byrt – Chairman

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