



ASX ANNOUNCEMENT 30 March 2022

Papyrus Australia Ltd (ASX:PPY) advises that the Company has moved from quarterly activity reports to monthly activity reports to keep the market more informed regarding its activities. **This monthly report pertains to the month ended 28 February 2022** and the Monthly Appendix 4C cash flow report released to the market on 29 March 2022.

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

- to support the Papyrus Egypt Company (PPYEg) activities in Egypt, which provide increasingly positive results, and
- to continue activities pursuing new opportunities to exploit its technology.

This report and future monthly reports will focus on two topics, namely:

- corporate activities of Papyrus Australia Ltd in Australia, and
- operational activities of Papyrus Egypt Company (LLC) for the manufacture of banana fiber products in Sohag, Egypt.

Papyrus Australia Ltd

Corporate Activities

1. Following the successful production of a world first 100% banana fibre burger clam shell packaging product, the moulded fibre packaging facility in Sharqiah, Egypt, was configured to commence production of egg trays utilising 100% banana fibre pulp. The output produced will be supplied to the Egyptian market where demand for this product outstrips supply.
2. For the time being, the change in focus at the Sharqiah factory from product development to production output will enable the Sohag operation to become cash flow positive.
3. As reported in the January Monthly Activities Report (ASX Announcement: 28 February 2022), the Al Ahram for Plastic Manufacturing together with the staff at Papyrus Egypt have commenced the preparation of the business plan for the proposed joint venture operation at Sohag, Egypt.

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4. The MD Ramy Azer and the company Chairman Ted Byrt are presently in Egypt discussing the proposed business plan with Dr Hany Halim the owner and the senior executives of the Al Ahram group. It is anticipated that the business plan will be approved early next month.
5. The Company continued to field enquires from potential users of the technology from other countries.
6. The Company continued the development of a sales and marketing plan, which will focus on how the Company's technology will be rolled out.
7. During the reporting month, no payment was made to a related party.

Papyrus Egypt Company (PPYEg)

Operational Activities

- Significant additional fibre refining equipment has been ordered and some is now in the process of being installed at the Sohag factory. This upscaling of refining capacity at Sohag will continue to take place over the coming months.
- The additional fibre refining equipment will ensure that sufficient banana fibre and banana fibre pulp is available to supply the impending JV with Al Ahram, and additionally as required by the Sharqiah facility for commercial sales.
- Research and development continued at the Sohag factory in order to upscale the production capacity and improve the quality of the fibre, required for moulded products.

The expenditure reported in the February 2022 Appendix 4C cash flow report (ASX: Announcement 29 March 2022) for PPY relates primarily to:

- staff costs
- compliance costs and related expenses
- expenditure relating to the Papyrus Egypt operations at the Sohag and Sharqiah factories.

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

As approved by the Board.

ENDS