



ASX ANNOUNCEMENT 31 May 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 30 April 2022** and the Monthly Appendix 4C cash flow report released to the market on 30 May 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. As previously announced to the market (ASX Announcement: 7 April 2022), the Egyptian Government, via the National Authority for Military Production, has chosen Papyrus Australia Ltd as its partner for establishing a national industry in Egypt to process banana plantation waste as part of the national waste collection program. The landmark agreement was formalised with the signing of a Cooperation Protocol with the National Authority for Military Production (the Ministry).
2. Ratified by the Papyrus Board, the Cooperation Protocol was signed in Cairo by Vice Chairman and Managing Director of the National Authority for Military Production, Eng. M. Salah al-Din Mustafa, in the presence of His Excellency the Minister of State for Military Production, Major General Engineer Mohamed Ahmed Morsi and Minister of Immigration, Nabila Makram Abdel Shaheed.

Papyrus Australia Limited

Building 16
35-37 Stirling Street
THEBARTON SA 5031
AUSTRALIA

PO Box 566
Torrensville Plaza
MILE END SA 5031
AUSTRALIA

Tel: (+61) 08 7324 1232

Fax: (+61) 08 8152 0553

email@papyrusaustralia.com.au

www.papyrusaustralia.com.au

ABN: 63 110 868 409



3. Under the areas of cooperation outlined in the Protocol, Papyrus will work with the Ministry to licence its technology and IP to assist with:
 - manufacturing equipment, machinery, production lines and spare parts;
 - the construction of conversion plants for agricultural waste;
 - the production of fertilisers and agricultural fertilisers;
 - the production of fiber and pulp to produce paper, cardboard and wood products;
 - the production of innovative packaging products; and
 - technical support and improved process equipment over time.
4. Management focus during April related to the preparation of a Roadmap of the commercial relationship and various commercial agreements for the implementation of the objectives outlined in the Protocol.
5. An approach to the European Bank for Reconstruction and Development (EBRD) for funding for the Egyptian Government project, resulted in the appointment of a Consultant (approved by EBRD) to prepare a business case for the project. The EBRD has agreed to fund up to 80% of the cost of this consultancy which is expected to be undertaken in late May, early June.
6. The other management focus related to assisting the “Al Ahram for Plastics Manufacturing” team in Egypt in preparing the business plan for the new JV previously announced to the market (ASX Release: 14 February 2022).
7. The Company continued to field enquires from potential users of the technology from other countries.
8.

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 the Sharqiah facility for commercial sales.
- Following the recalibration of the machinery at the Sharqiah facility, production and sale of moulded tray products commenced.

- The expenditure reported in the April 2022 Appendix 4C cash flow report (ASX: Announcement 30 May 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