



## ASX ANNOUNCEMENT

28 March 2024

### Monthly Activity Report for February 2024

**Papyrus Australia Ltd** (ASX:PPY) is pleased to report its activities pertaining to the month of January 2024 and the monthly Appendix 4C cash flow report released to the market on 28 March 2024.

#### Highlights

- The Egyptian Government contracted facility (MP) commences wet commissioning
- PPY Australia and Egypt half year to Dec 23 audited financials released to the market
- Independent Expert and Legal Counsel assess the Consolidation proposal
- Report on carbon credit modelling for Papyrus technology
- Papyrus commences industry support from AusIndustry

#### Egyptian Government Developments

1. The first production facility for the Egyptian Government's National Authority for Military Production (MP) is installed and wet commissioning has commenced.
2. Once commissioning is complete and production commences, Papyrus will operate the facility under a commissioning plan, receiving monthly fees.
3. The MP and Papyrus negotiations for the supply of additional production equipment within the same facility are near completion. This contract including a supply agreement for the MP to manufacture some components onsite under Papyrus confidential control is mutually beneficial with the increase of domestic production, reduced imports, reduced fees and contributing to long-term sustainable development goals.

#### Papyrus Australia Ltd

4. In February, Papyrus published the Papyrus Australia Ltd Appendix 4D and half year report to December 2023 and the Papyrus Egypt audited accounts for the half year ended 31 December 2023. Both reports included a review of operations for the half-year.
5. The strategy in place for PPY to take 100% control of Papyrus Egypt (PPYEg) is progressing following the signing of a Share Sale and Purchase Agreement between PPY and the Egypt Banana Fibre Company (**EBFC**). This agreement is integral in the Consolidation proposal for the acquisition by Papyrus of EBFC's non-Papyrus owned interest in Papyrus Egypt LLC (PPYEg), the joint venture company established to conduct R&D activities in Egypt and further develop the Papyrus banana fibre technology to produce moulded banana fibre food packaging products.
6. Papyrus engaged Independent Experts - Nexia Perth Corporate Finance Pty Ltd will assess the proposal to determine if the Consolidation transaction proposed is in the interests of shareholders.
7. Papyrus Australia was approved to participate in the Industry Growth Program (**IGP**) from the Department of Industry, Science and Resources (AusIndustry). In February, meetings with the specialist sectorial advisor were held, to map out a strategy for potential government funding options for Papyrus. The program recognises the crucial role this Australian business development plays in the economy, industry and manufacturing capability and driving investment into projects.

8. The business development team have provided information for business modelling for a new potential partner in South Africa and continued engagement with potential partners in India, the Philippines, South America and Nigeria. The environmental and economic opportunities of a Papyrus facility are clear but potential partners seek PPY assistance to establish feasibility studies to attract investors, business and government funding and partners.
9. Papyrus has invested in carbon credit modelling by Envirolabs in Australia and received a positive preliminary report. Papyrus will develop a roadmap to monetize the greenhouse gas assets achieved through the abatement of methane gas otherwise emitted by decomposing banana plantation waste. The environmental benefits and value opportunities of greenhouse gas abatement from Papyrus technology is a key element of our commercialisation model and provides a strong value proposition for technology sales.

### **Papyrus Egypt**

10. Papyrus Egypt continued discussions to establish an agreement to supply a full production and moulding line to another enterprise within Egypt in a joint venture model.
11. Following further testing in Sohag with larger plantation volumes, the shredder blades were redesigned with AOI engineers to upgrade the knife housing and blade strength and functionality. Papyrus ordered an additional five plantation waste shredders, two for Sohag factory to increase production for the MP facility and three in preparation for the new MP contract.

### **Financials**

#### **Papyrus Australia Financial comments**

12. During the month of February 2024, no related party payments were made.
13. The expenditure reported for the month ending in January 2024 Appendix 4C cash flow report for Papyrus relates primarily to:
  - Staff costs
  - Consolidation related 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**