

ASX ANNOUNCEMENT

31 July 2025

Quarterly Activity Report for April to June 2025

Papyrus Australia Ltd (ASX:PPY) is pleased to report its activities pertaining to the quarter ended 30 June 2025 and the quarterly Appendix 4C cash flow report released to the market on 31 July 2025.

Executive Chair Overview

The past quarter has marked an extraordinary phase of activity and acceleration for Papyrus Australia, as we advanced our core priorities in sustainable technology development, product innovation, and expanding global partnerships. With the first sparks of our Rapid Prototyping and R&D Facility igniting within the University of South Australia (UniSA), we've laid a crucial foundation for future breakthroughs, fostering collaboration with leading researchers and industry talent to strengthen our innovation pipeline.

In parallel, we fast-tracked critical product development activities, resulting in tangible success in our board and flat sheet trials. These outcomes demonstrate compelling market potential and substantiate our confidence in the scalability and versatility of our technology.

Back on home ground, our partnership with UniSA continues to flourish. We were pleased to welcome two enthusiastic student interns into our team as part of the UniSA Work Integrated Learning Program. Their contribution to engineering design, procurement processes, and supply chain logistics exemplifies the value of industry-led education and reinforces our role as a talent incubator within the green manufacturing sector.

Highlights

- Papyrus Rapid Prototyping and R&D facility assembly commenced
- UniSA Work Integrated Learning Internship Program launched
- Product trials for board and flat paper showed strong performance

Operational Activity

1. Assembly of Papyrus Rapid Prototyping & R&D Facility Begins

Following the formal agreement with the University of South Australia, Papyrus commenced installation of its rapid prototyping and research facility at the Future Industries Institute. Initial components of the primary processing unit have arrived on site, with assembly actively underway. Papyrus has been impressed with the high calibre of engineering support, facility capability, and collaborative momentum offered by UniSA - laying the foundation for accelerated technology validation.

2. UniSA Internship Program Strengthens Industry-Academic Collaboration

Papyrus has welcomed two UniSA interns through the Work Integrated Learning initiative. The interns—specialising in procurement, supply chain logistics, and engineering—are contributing to cooperative projects supporting the R&D Facility and commercialisation activity. This program reinforces Papyrus' commitment to industry development and fosters early-career innovation in sustainable manufacturing.

3. Papyrus technology expands product suite to include board and flat paper products

Driven by commercial interest, Papyrus has successfully trialled banana fibre-based boards and flat paper products. These developments demonstrate the adaptability of Papyrus Technology and signal the company's readiness to broaden its product offering. The new materials have shown strong wet strength retention, unlocking exciting potential for applications in industrial applications, global food packaging and other markets where high-performance, sustainable alternatives are increasingly critical.

4. Papyrus Australia Egyptian Joint Venture Committee

The Papyrus Australia Egyptian Joint Venture Committee continues to navigate complex cross-jurisdictional commercial frameworks. Work remains focused on establishing the most effective governance and operational structure.

5. Commercialisation Roadmap Project Progress

Project Description	Anticipated Completion	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Jun-25
Project 1: Rapid Prototyping and R&D Facility													30/06/25
1. Design, procure and install protype equipment	Jul-25	<div><div></div></div> 86%											
2. Product sample production and testing	Sep-25	<div><div></div></div> 65%											
3. Commercial scale detailed design	Nov-25	<div><div></div></div> 50%											
Project 2: Commercial Production Facility Australia (High-End Low-Volume Production)													
1. Project Feasibility	Jun-25	<div><div></div></div> 100%											
2. Project Execution	Jan-26												
3. Operation Flat Products - Acceleration of Horizon	Jun-26												
Project 3: Commercial Production Facility Vietnam (High-Volume Production)													
1. Project Feasibility	Sep-25	<div><div></div></div> 75%											
2. Project Execution	May-26												
3. Operation Phase 1	Jun-26												
Papyrus Australia Egyptian Joint Venture													
Commercial Structuring	Jun-25	<div><div></div></div> 95%											
<div><div></div>Anticipated Tim (project timing is indicative only and may be subject to change)</div> <div><div></div>% Work Complete</div>													

Financial Activity

6. During the quarter from April to June 2025, the following related party payments were made:

- Payment to VP Rigano & Co Pty Ltd for Company Secretarial services by Vince Rigano as Company Secretary \$2,200
- Payment to David Attias as Company Director for reimbursement of travel expenses incurred \$ 1,280
- Payment to VP Rigano & Co Pty Ltd for reimbursement of expenses by Vince Rigano as Company Director \$1,429

7. Papyrus Australia received loan funds of \$ 238,236 in April 2025 from Radium Capital against the future FY25 R&D Tax Incentive, as part of the Australian

Government Research and Development Tax Incentive Program (R&DTI).

8. Papyrus Australia received funds of \$ 20,000 in May 2025 from the exercise of options.
9. The expenditure reported for the quarter ending in June 2025 Appendix 4C cash flow report for Papyrus relates primarily to:
 - Prototyping equipment procurement costs
 - Staff, compliance and other overhead costs

There were no other payments to an associate or a related party.

As approved by the board.

A handwritten signature in black ink, appearing to read 'Al Jawhari', with a horizontal line extending to the right.

Al Jawhari

Executive Chair

ENDS