



## ASX ANNOUNCEMENT

30 October 2025

### Quarterly Activity Report for July to September 2025

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

#### Executive Chair Overview

This quarter marked a pivotal stage in Papyrus Australia's transition from research and development to commercialisation. Key achievements included:

- Signing a binding Terms Sheet with TBS Mining Solutions for the manufacture of the next-generation biodegradable Collar Keeper® product.
- Securing a \$250,000 Early-Stage Commercialisation Grant from the Australian Government's Industry Growth Program, supported by matched investor funding.
- Restructuring the team to align with our commercialisation strategy.

The agreement with TBS Mining Solutions represents a flagship milestone for Papyrus. The collaboration combines PPY's patented technology with TBS's technical expertise and market reach, delivering an innovative, environmentally responsible product that highlights Australian ingenuity.

In Vietnam, we continued to advance our partnership with Thanh Dung Co (TDC) to establish a high-volume production facility utilising Papyrus Technology. Together, we are trialling product options and refining the most effective pathway to operations.

The Rapid Prototyping and R&D Facility in Adelaide, supported by government and investor funding, is accelerating technology scaling and product development. This facility serves as a hub for product and technology innovation, connecting growers, manufacturers, customers, and technology stakeholders.

The Board also welcomed new leadership appointments, strengthening governance and operational capability as we pursue global opportunities.

On behalf of the Papyrus team, I extend our gratitude to shareholders for their continued support in our recent capital raise, which underpins our growth and long-term value creation.

#### Highlights

- **Binding Terms Sheet signed with TBS Mining Solutions (contract revenue circa \$4.2m)**
- **Progress in Vietnam with Thanh Dung Co on high-volume production facility**
- **\$250k Industry Growth Program grant awarded, with matched investor funding**
- **Significant progress on the Rapid Prototyping & R&D Facility in Adelaide**
- **Board and management restructuring to support commercialisation**

## Operational Activity

### 1. Terms Sheet signed with TBS Mining Solutions, with contract revenue circa \$4.2m.

Papyrus entered into a binding Terms Sheet with TBS Mining Solutions Pty Ltd, a wholly owned subsidiary of Aquirian Ltd, to manufacture a biodegradable version of the Collar Keeper® product. Following successful laboratory trials and field testing, the companies are now progressing development and commercialisation of this innovative product.

### 2. Advancing Opportunities in Vietnam with Thanh Dung Co

Work has continued with Thanh Dung Co to establish a high-volume production facility. The parties have developed a plan for to support assessing the most efficient pathway to commence operations.

### 3. Grant and Investor Funding for PPY's Rapid Prototyping & R&D Facility

Papyrus was awarded \$250,000 under the Australian Government's Industry Growth Program, which has been matched by investor funding, to accelerate the work in the Rapid Prototyping and R&D Facility at the University of South Australia.

Key developments this quarter included:

- Successful factory acceptance testing and shipping of the moulding equipment
- Engineering design and development of the primary processing unit
- Continued optimisation of pulp preparation designs to improve energy and water utilisation

This facility will accelerate technology scaling and product prototyping, supporting our commercialisation strategy.

### 4. PPY Management and Board changes

As part of the transition to commercialisation, Papyrus implemented several leadership changes:

- Mr Daniel Schmidt appointed Chief Executive Officer (effective 4 August 2025)
- Ms Patricia Vanni appointed Company Secretary (effective 25 August 2025)
- Mr Nick Di Girolamo and Mr Jim Huang resigned as Non-Executive Directors (September 2025)
- Mr Arthur Stavrou appointed Non-Executive Director (effective 29 September 2025)

Mr Stavrou brings over 20 years of legal and corporate experience, including international commercial negotiations across the UK, Russia, Saudi Arabia, and Nigeria. His expertise in governance, strategy, and high-value contract negotiation will be invaluable as Papyrus expands globally.

The Company also released its audited full-year accounts for the period ending 30 June 2025.

## Financial Activity

During the quarter ended 30 September 2025:

- Related party payments: \$8,800 to V P Rigano & Co Pty Ltd for Company Secretarial services provided by Vince Rigano.
- Funds received:
  - \$60,000 from the exercise of options by Executive Chair, Al Jawhari
  - \$262,000 from a capital raise with new and existing sophisticated investors
  - \$214,655 initial grant funds from the Department of Industry and Science under the IGP

Expenditure during the quarter, as reported in the Appendix 4C, primarily related to R&D facility equipment, staff, intellectual property, compliance, and overhead costs.

No other payments were made to associates or related parties.

As approved by the Board.



Al Jawhari  
Executive Chair

**ENDS**

## Appendix 4C

### Quarterly cash flow report for entities subject to Listing Rule 4.7B

**Name of entity**

Papyrus Australia Ltd

**ABN**

63 110 868 409

**Quarter ended ("current Quarter")**

September 2025

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(2)	(2)
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(49)	(49)
(f) administration and corporate costs	(217)	(217)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		
1.6 Income taxes paid		
1.7 Government grants and tax incentives	195	195
1.8 Other (provide details if material)	3	3
<b>1.9 Net cash from / (used in) operating activities</b>	<b>(70)</b>	<b>(70)</b>
<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(126)	(126)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(f) other non-current assets		
2.2 Proceeds from disposal of:		
(a) entities		
(b) businesses		
(c) property, plant and equipment		
(d) investments		
(e) intellectual property		
(f) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (provide details if material)		
<b>2.6 Net cash from / (used in) investing activities</b>	<b>(126)</b>	<b>(126)</b>

<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)	262	262
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options	60	60
3.4 Transaction costs related to issues of equity securities or convertible debt securities	(1)	(1)
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings		
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
<b>3.10 Net cash from / (used in) financing activities</b>	<b>321</b>	<b>321</b>

<b>4. Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1 Cash and cash equivalents at beginning of period	303	303
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(70)	(70)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(126)	(126)

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<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (3 months) \$A'000</b>
4.4	Net cash from / (used in) financing activities (item 3.10 above)	321	321
	Adjustment		
4.5	Effect of movement in exchange rates on cash held		
<b>4.6</b>	<b>Cash and cash equivalents at end of period</b>	<b>428</b>	<b>428</b>

<b>5. Reconciliation of cash and cash equivalents</b>	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	428	302
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>428</b>	<b>302</b>
The bank balance at 5.1 includes \$239k which is held in Egypt by PPY's 100% owned subsidiary PPYM, and the funds are restricted.		

<b>6. Payments to related parties of the entity and their associates</b>	<b>Current quarter \$A'000</b>
6.1 Aggregate amount of payments to related parties and their associates included in item 1	9
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<ul style="list-style-type: none"> <li>Payment to VP Rigano &amp; Co Pty Ltd for Company Secretarial services by Vince Rigano as Company Secretary \$8,800</li> </ul>	
<i>Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments.</i>	

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7.	<b>Financing facilities</b> <i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>	<b>Total facility amount at quarter end \$A'000</b>	<b>Amount drawn at quarter end \$A'000</b>
7.1	Loan facilities	250	0
7.2	Credit standby arrangements		
7.3	Other (please specify)	369	369
7.4	<b>Total financing facilities</b>	619	369
7.5	<b>Unused financing facilities available at quarter end</b>		250
7.6	<p>Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.</p> <p>The loan facility for \$250k is in place with Talisker Pty Ltd a company associated with Ramy Azer. Drawdowns at the board's discretion can be request in tranches of \$50k. Interest is only payable on any drawdown amounts and is calculated by applying the NAB "Usaver savings account or, the 12 quarters term deposit rates" (whichever is the greater plus a 1% margin). Currently no drawdowns have been made on this facility.</p> <p>The Company has an arrangement with Radium Capital to advance loans based on the R&amp;D undertaken that is eligible under the Australian Government Research and Development Tax Incentive Program (R&amp;DTI). The process for drawdowns requires the company to make an application to Radium Capital which is supported by expenditure incurred. The repayment of the loan drawdowns is repaid following the submission of the Company tax return at year end. The annual interest rate payable on loan drawdowns is 15%.</p> <p>The company has received \$369 from Radium Capital as an R&amp;DTI loan facility based on the additional R&amp;D work completed and expensed in FY25.</p>		

8.	<b>Estimated cash available for future operating activities</b>	<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	<b>(70)</b>
8.2	Cash and cash equivalents at quarter end (item 4.6)	<b>428</b>
8.3	Unused finance facilities available at quarter end (item 7.5)	250
8.4	Total available funding (item 8.2 + item 8.3)	678
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	9.7
	<p><i>Note: if the entity has reported positive net operating cash flows in item 1.9, answer item 8.5 as "N/A". Otherwise, a figure for the estimated quarters of funding available must be included in item 8.5.</i></p>	
8.6	<p>If item 8.5 is less than 2 quarters, please provide answers to the following questions:</p> <p>8.6.1 Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?</p> <p>Answer:</p>	

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8.6.2 Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?

Answer:

8.6.3 Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?

Answer:

*Note: where item 8.5 is less than 2 quarters, all of questions 8.6.1, 8.6.2 and 8.6.3 above must be answered.*

**NOTE:** The information provided in this Appendix 4c does not include financial information of Papyrus Egypt, as Papyrus Australia does not currently control Papyrus Egypt even though it has a direct equity interest of 50% and an indirect equity interest of 19.61% (through its 39.22% equity interest in the joint venture partner EBFC (Egyptian Banana Fibre Company))

The activities of Papyrus Egypt are currently accounted for in the half year report and annual report using the equity accounting method.

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Date: 30 October 2025

Authorised by: By the Board  
(Name of body or officer authorising release – see note 4)

### Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, AASB 107: Statement of Cash Flows apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg Audit and Risk Committee]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

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