

# ASX ANNOUNCEMENT

4 February 2026

## Correction to Quarterly Activities / Appendix 4C Cash Flow Report

Papyrus Australia Limited (**ASX: PPY**) (**Papyrus or the Company**) refers to its announcement titled “Quarterly Activities / Appendix 4C Cash Flow Report” released on the ASX Market Announcements Platform on 30 January 2026 (Original Announcement).

The Company advises that the Original Announcement contained an omission in Section 7 of the Appendix 4C. While the quarterly activity report correctly disclosed that the Company received \$350,000 during the quarter ended 31 December 2025 in the form of loans from new and existing investors, the corresponding details of these loans were inadvertently not included in Section 7 of the Appendix 4C.

The omission was due to an administrative oversight during the preparation of the Appendix 4C.

The Company has now lodged an updated Appendix 4C which includes the required disclosure in Section 7. This correction does not change the cash balance or cash flow position of the Company as previously reported.

Except as noted above, the information contained in the Original Announcement remains unchanged.

The Company apologises for the oversight and confirms that appropriate processes have been reviewed to prevent a recurrence.

As authorised by the Board.

**End**

# ASX ANNOUNCEMENT

4 February 2026

## Quarterly Activity Report to December 2025

**Papyrus Australia Ltd** (ASX:PPY) is pleased to report its activities pertaining to the quarter ended 31 December 2025 and the quarterly Appendix 4C cash flow report released to the market on 30 January 2026.

### Executive Chair Overview

Papyrus Australia continued to make steady operational and commercial progress during the quarter ended 31 December 2025, further strengthening the company's pathway toward first revenues and broader market engagement. The development of the Adelaide Rapid Prototyping and R&D Facility advanced materially, with installation and commissioning activities for both the moulding line and prototype pulp preparation system nearing completion. Once operational, this facility will provide the capability to produce consistent fibre, validate new moulded product applications, and support customer demonstrations and low volume production—an essential platform for accelerating commercialisation.

The execution of the supply contract with TBS Mining Solutions represents a significant commercial milestone. The successful fibre board testing undertaken earlier in the year has now translated into a formal agreement for the manufacture and supply of the biodegradable Collar Keeper® product, positioning Papyrus as the exclusive global producer of this fibre-based variant. The contract provides a defined revenue outlook over the initial 3.5-year term, with production expected to commence in Q4 FY26.

Financially, the company strengthened its position through a combination of option exercise proceeds, investor loan funding, and the FY25 R&DTI refund. These funds supported the R&D facility activities, commencement of procurement of equipment for delivery of the TBS contract, and ongoing corporate and compliance costs. The discontinuation of legal proceedings during the quarter also removes a source of uncertainty as the company advances its operational priorities.

Overall, Papyrus enters 2026 with positive momentum, a clearer commercial pathway, and a growing operational capability. The progress achieved during the quarter reinforces the company's focus on disciplined execution as it transitions from technology development toward commercial production and market engagement.

### Highlights

- **Contract execution with TBS Mining Solutions Pty Ltd**
- **Installation and Commissioning of the Rapid Prototyping and R&D Facility**

### Operational Activity

#### 1. Contract execution with TBS Mining Solutions Pty Ltd

Papyrus finalised a contract with TBS Mining Solutions, a subsidiary of Aquirian Limited, for the manufacture and supply of biodegradable Collar Keeper® products. Papyrus will be the exclusive global producer of this fibre-based variant, with estimated revenue of \$4.2 million over the initial 3.5-year term, anticipated to commence in Quarter 4 of FY26.

#### 2. Rapid Prototyping and R&D Facility

Installation and commissioning of the Rapid Prototyping and R&D Facility have continued to progress well. During the quarter:

- The moulding line has been delivered, installed in place and commissioning commenced. We are due to complete commissioning in January 2026.

- All components required for the prototype pulp preparation system has been delivered, placed into position and aligned for process connections. We commenced the electrical and piping system installation and are due to complete this in January 2026.

The facility will soon be fully operational, producing a range of fibre-based moulded products and prototypes to validate new product applications, demonstrate our technology to new industry partners and accelerate commercialisation.

### **3. Legal Proceedings**

Perfection Australia Group Pty Ltd ('PAG') and Union Pacific Equities Pty Ltd ('UPE') agreed that proceedings filed against Papyrus in August 2025, will be discontinued, and the Court has made those orders.

### **4. November AGM**

The Papyrus Annual General Meeting was held, thank you to all our shareholders for supporting all board resolutions.

### **Financial Activity**

During the quarter ended December 2025:

- Related party payments:
  - \$ 4,770 to Al Jawhari Executive Chair for reimbursement of travel costs.
  - \$ 2,200 to V P Rigano & Co Pty Ltd for Company Secretarial services provided by Vince Rigano.
- Funds received:
  - \$80,000 from the exercise of options by Executive Chair, Al Jawhari.
  - \$350,000 in loans from new and existing sophisticated investors.
  - \$510k tax refund under the FY25 Research and Development Tax Incentive Program. After repayment of R&DTI loans, interest, and associated costs, net proceeds were \$90k.

The expenditure reported for the quarter ending December 2025 Appendix 4C cash flow report for Papyrus relates primarily to:

- R&DTI loan repayment and interest costs
- Prototyping equipment procurement costs
- Staff, legal, compliance and other overhead costs

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



**Adj. Prof. Al Jawhari**

Executive Chair

Papyrus Australia Ltd

**ENDS**

## Appendix 4C

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

Name of entity		
Papyrus Australia Ltd		
ABN	Quarter ended ("current Quarter")	
63 110 868 409	December 2025	
Consolidated statement of cash flows	Current quarter \$A'000	Year to date (6 months) \$A'000
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development		(4)
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(42)	(91)
(f) administration and corporate costs	(337)	(552)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid	(46)	(46)
1.6 Income taxes paid		
1.7 Government grants and tax incentives	506	701
1.8 Other (provide details if material)	(72)	(69)
<b>1.9 Net cash from / (used in) operating activities</b>	<b>9</b>	<b>(61)</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	(26)	(153)
(d) investments		
(e) intellectual property		
(f) other non-current assets		

<b>Consolidated statement of cash flows</b>	<b>Current quarter</b> \$A'000	<b>Year to date</b> (6 months) \$A'000
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>(26)</b>	<b>(153)</b>
<b>3. Cash flows from financing activities</b>		
3.1 Proceeds from issues of equity securities (excluding convertible debt securities)		262
3.2 Proceeds from issue of convertible debt securities		
3.3 Proceeds from exercise of options	80	140
3.4 Transaction costs related to issues of equity securities or convertible debt securities		(1)
3.5 Proceeds from borrowings	350	350
3.6 Repayment of borrowings	(369)	(369)
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>61</b>	<b>382</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	427	303
4.2 Net cash from / (used in) operating activities (item 1.9 above)	9	(61)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(26)	(153)

<b>Consolidated statement of cash flows</b>		<b>Current quarter</b> \$A'000	<b>Year to date</b> (6 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)  Adjustment	61	382
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	471	471
<b>5.</b>	<b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter</b> \$A'000	<b>Previous quarter</b> \$A'000
5.1	Bank balances	471	428
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
<b>5.5</b>	<b>Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>471</b>	<b>428</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.</b>	<b>Payments to related parties of the entity and their associates</b>	<b>Current quarter</b> \$A'000	
6.1	Aggregate amount of payments to related parties and their associates included in item 1	7	
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 Al Jawhari Executive Chair for reimbursement of travel costs \$ 4,770</li> <li>• Payment to VP Rigano &amp; Co Pty Ltd for Company Secretarial services by Vince Rigano as Company Secretary \$2,200</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>			

<b>7. Financing facilities</b> <small>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.</small>		<b>Total facility amount at quarter end</b> <b>\$A'000</b>	<b>Amount drawn at quarter end</b> <b>\$A'000</b>
7.1	Loan facilities	750	350
7.2	Credit standby arrangements		
7.3	Other (please specify)		
7.4	<b>Total financing facilities</b>	750	350
7.5	<b>Unused financing facilities available at quarter end</b>		400
7.6	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>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>A loan facility for \$500k is in place with a group of investors introduced through L39 Pty Ltd. The interest payable on the loan balance is 18% per annum. The facility has been drawn down by \$350k. The loan is unsecured and maturity is 7 April 2026.</p> <p>The Investors providing the loan facility are:</p> <ol style="list-style-type: none"> <li>1. Maryton Australia Pty Ltd</li> <li>2. Jgm investments group atf muchnicki family trust</li> <li>3. Antanas Guoga</li> <li>4. Irwin biotech nominees atf bioa trust</li> </ol>		

<b>8. Estimated cash available for future operating activities</b>		<b>\$A'000</b>
8.1	Net cash from / (used in) operating activities (item 1.9)	9
8.2	Cash and cash equivalents at quarter end (item 4.6)	471
8.3	Unused finance facilities available at quarter end (item 7.5)	400
8.4	Total available funding (item 8.2 + item 8.3)	871
8.5	<b>Estimated quarters of funding available (item 8.4 divided by item 8.1)</b>	N/A
	<small>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.</small>	
8.6	If item 8.5 is less than 2 quarters, please provide answers to the following questions:	
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?	
	Answer:	

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 has written down the value of its investment to zero at the end of FY25. The impairment does not affect PPY's shareholding interest in PPYEG and EBFC, which remains unchanged.

### **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: 4 February 2026

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.