

ASX ANNOUNCEMENT

31 March 2026



Monthly Activity Report for February 2026

Papyrus Australia Ltd (ASX:PPY) is pleased to report its activities pertaining to the month ended 28 February 2026 and the monthly Appendix 4C cash flow report released to the market on 31 March 2026.

Executive Chair Overview

Papyrus Australia continued to build strong operational momentum through February, with the commissioning and early operation of the Adelaide Rapid Prototyping & R&D Facility marking a significant milestone in our commercialisation pathway. The facility is now actively delivering on its core research objectives, including optimisation of pulp furnish for multiple product applications, refinement of equipment design for scale-up, and the production of both moulded product samples and pulp for the TBS contract board trials. These activities are central to validating our technology at commercial scale and supporting upcoming customer and partner engagements.

Financially, Papyrus released its Interim Financial Report for the half-year ending 31 December 2025, providing shareholders with a clear view of the Company's financial position as we progress toward commercial production.

With the R&D facility now operational and delivering meaningful outputs, Papyrus enters the next phase of development with increasing confidence. The Company remains focused on executing its commercial strategy, strengthening its technology platform, and positioning itself for scale-up and revenue generation.

Operational Activity – Rapid Prototyping & R&D Facility

The Adelaide Rapid Prototyping & R&D Facility reached a major operational milestone in February, with commissioning completed and the facility now actively running its first research and development programs. This marks the transition from installation to productive operation of the entire production system, enabling Papyrus to accelerate technology validation, product development, and scale-up planning.

With the facility online, the team has progressed a series of core research objectives central to commercial readiness:

- **Optimisation of pulp furnish for multiple production applications:**
Systematic trials are underway to refine fibre characteristics and pulp blends to suit a range of moulded and board-based products. These optimisation activities are generating valuable data that will inform both product performance and downstream manufacturing parameters.
- **Equipment design optimisation for material flow and scale-up:**
The facility is being used to test and refine equipment configurations, material-handling pathways, and process settings. Insights from these trials are directly supporting the engineering design of future commercial-scale plant layouts and equipment selections.
- **Production of moulded product samples:**
Initial moulding runs have commenced, producing sample trays and other prototype products for internal evaluation and upcoming customer demonstrations. Early outputs are meeting expected quality benchmarks, reinforcing confidence in the technology's scalability.
- **Production of pulp for TBS contract board samples:**
The facility has begun producing pulp specifically for the TBS contract board trials. This work is a

critical step in validating Papyrus' fibre technology for commercial board production and supporting the Company's commitments under the TBS agreement.

Collectively, these activities demonstrate strong operational progress and position the R&D facility as a key enabler of Papyrus' commercialisation strategy, providing the technical foundation for product validation, customer engagement, and future production deployment.

Financial Activity

Papyrus released the Interim financial report for the half year ending 31 December 2025.

During the month of February there were no related party payments.

The expenditure reported for the month ending February 2026 Appendix 4C cash flow report for Papyrus relates primarily to:

- a. Prototyping equipment procurement costs
- b. Staff, legal, compliance and other overhead costs

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



Al Jawhari

Executive Chair

ENDS

Appendix 4C

Monthly cash flow report for entities subject to Listing Rule 4.7B

Name of entity

Papyrus Australia Ltd

ABN

63 110 868 409

Month ended ("current Month")

February 2026

Consolidated statement of cash flows	Current month \$A'000	Year to date (8 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	-	-
1.2 Payments for		
(a) research and development	(27)	(185)
(b) product manufacturing and operating costs		
(c) advertising and marketing		
(d) leased assets		
(e) staff costs	(26)	(151)
(f) administration and corporate costs	(31)	(527)
1.3 Dividends received (see note 3)		
1.4 Interest received		
1.5 Interest and other costs of finance paid		(46)
1.6 Income taxes paid		
1.7 Government grants and tax incentives		195
1.8 Other (provide details if material)	32	470
1.9 Net cash from / (used in) operating activities	(52)	(244)
2. Cash flows from investing activities		
2.1 Payments to acquire or for:		
(a) entities		
(b) businesses		
(c) property, plant and equipment	(28)	(269)
(d) investments		
(e) intellectual property		

Consolidated statement of cash flows	Current month \$A'000	Year to date (8 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)		
2.6 Net cash from / (used in) investing activities	(28)	(269)

3. Cash flows from financing activities		
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		160
3.4 Transaction costs related to issues of equity securities or convertible debt securities		(1)
3.5 Proceeds from borrowings		500
3.6 Repayment of borrowings		(369)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)	1	2
3.10 Net cash from / (used in) financing activities	1	554

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of period	423	303
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(52)	(244)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(28)	(269)

Consolidated statement of cash flows		Current month \$A'000	Year to date (8 months) \$A'000
4.4	Net cash from / (used in) financing activities (item 3.10 above)	1	551
	Adjustment		
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	344	344

5. Reconciliation of cash and cash equivalents	Current month \$A'000	Previous month \$A'000
at the end of the month (as shown in the consolidated statement of cash flows) to the related items in the accounts		
5.1 Bank balances	344	423
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
5.5 Cash and cash equivalents at end of month (should equal item 4.6 above)	344	423
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.		

6. Payments to related parties of the entity and their associates	Current month \$A'000
6.1 Aggregate amount of payments to related parties and their associates included in item 1	-
6.2 Aggregate amount of payments to related parties and their associates included in item 2	-
<i>Note: if any amounts are shown in items 6.1 or 6.2, your monthly activity report must include a description of, and an explanation for, such payments.</i>	

7. Financing facilities <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>	Total facility amount at month end \$A'000	Amount drawn at period end \$A'000
7.1 Loan facilities	750	500
7.2 Credit standby arrangements		
7.3 Other (please specify)		
7.4 Total financing facilities	750	500
7.5 Unused financing facilities available at month end		250
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 month 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.</p> <p>Interest is only payable on any drawdown amounts and is calculated by applying the NAB "Usaver savings account or, the 12 months 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 \$500k. 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"> 1. Irwin biotech nominees atf bioa trust 2. Antanas Guoga 3. Jgm investments group atf muchnicki family trust 4. Maryton Australia Pty Ltd 	

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (item 1.9)	(52)
8.2 Cash and cash equivalents at month end (item 4.6)	344
8.3 Unused finance facilities available at month end (item 7.5)	250
8.4 Total available funding (item 8.2 + item 8.3)	594
8.5 Estimated months of funding available (item 8.4 divided by item 8.1)	11.42
<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 months of funding available must be included in item 8.5.</i>	
8.6 If item 8.5 is less than 6 months, 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 months, 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: 31 March 2026

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

Notes

1. This monthly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past month, 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 monthly 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 monthly 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.