

ASX ANNOUNCEMENT

28 April 2026

TBS Milestone Update: Execution of Board Production Contract

Papyrus Australia Ltd (“Papyrus” or “the Company”) refers to its ASX announcement dated 28 November 2025 (the “TBS Announcement”) disclosing the execution of the manufacturing and supply agreement with TBS Mining Solutions Pty Ltd (“TBS”) (“TBS Contract”)¹.

As disclosed in the TBS Announcement, Papyrus is required to achieve certain milestones under the TBS Contract, including:

- execution of a contract for board production (“Milestone 1”) by 28 February 2026 (“Milestone 1 Target Date”);
- delivery of 200 product samples for product acceptance (“Milestone 2”) by 31 March 2026 (“Milestone 2 Target Date”); and
- testing and acceptance of product samples (“Milestone 3”) by 30 April 2026 (“Milestone 3 Target Date”).

Under the TBS Contract, TBS may terminate the TBS Contract if Papyrus does not achieve:

- Milestone 1 within 60 days after the Milestone 1 Target Date (i.e. by 29 April 2026); or
- Milestone 2 within 90 days after the Milestone 2 Target Date (i.e. by 29 June 2026); or
- Milestone 3 within 90 days after the Milestone 3 Target Date (i.e. by 29 July 2026).

TBS Milestone 1: Execution of Board Production Contract

Papyrus advises that it has executed a binding agreement with a Vietnam-based paperboard manufacturer with capability in converting pulp to paperboard jumbo rolls for the manufacture and supply to Papyrus of paperboard from banana fibre pulp supplied by Papyrus (“Board Production Contract”). The execution of the Board Production Contract satisfies the requirements of Milestone 1.

Under the terms of the Board Production Contract, the supplier has agreed to undertake two production trial runs at a fixed cost which is not considered material and is commercially sensitive. Following completion of the first two production trial runs, the parties must negotiate in good faith to agree on a final pricing structure applicable to ongoing and long-term production. Any further production runs are subject to the parties agreeing on the final pricing structure.

Under the Board Production Contract:

- Papyrus will supply virgin banana fibre pulp produced in Australia and deliver it to the supplier in Vietnam.
- the supplier will convert this pulp into paperboard jumbo rolls to Papyrus’s specifications.

¹ Please refer to the ASX Announcement “[PPY executes contract with TBS Mining Solutions Pty Ltd](#)” announced on 28 November 2025.

This enables Papyrus to focus on delivery of its core IP and proprietary technology (the conversion of agricultural waste into ready to use pulp) while leveraging experienced manufacturing partners for essential manufacturing steps that are not core to the Papyrus technology.

Execution of this agreement enables Papyrus to commence the initial production required to progress towards the satisfaction of its obligations under the TBS Contract, which will assist in completing the commercialisation of its core technology.

Papyrus confirms that:

- Papyrus does not consider the identity of the supplier under the Board Production Contract to be information that a reasonable person would expect to have a material effect on the price or value of Papyrus' securities; and
- this announcement contains all material information relevant to assessing the impact of the Board Production Contract on the price of Papyrus' securities, and is not misleading by omission.

TBS Milestone 2 and 3 Update

As at the date of this announcement, 28 April 2026, Milestones 2 and 3 are expected to be complete before there is an option for TBS to terminate the contract.

Engagement of Hall Chadwick to Support Establishment of Vietnam High-Volume Production Facility

The Company has also engaged Hall Chadwick Melbourne Pty Ltd ("Hall Chadwick"), a national chartered accounting and advisory firm to assist with the establishment of Papyrus's high-volume production capability in Vietnam. Hall Chadwick will lead the project to establish Papyrus's presence in Vietnam, including assisting with negotiating the paperboard manufacturing agreement, registering entities, securing all required permits and facility lease arrangements, negotiating raw material supply, and overseeing equipment installation, commissioning and compliance activities necessary to bring the facility into operation.

Hall Chadwick brings expertise in cross-border establishment, regulatory navigation and operational setup in Vietnam, supported by an experienced multidisciplinary team with on-ground networks, legal and commercial expertise, and experience in managing complex foreign-investment projects. Their structured, staged methodology—covering entity formation, facility establishment, supply chain enablement and commissioning—provides Papyrus with a comprehensive delivery partner to assist it with accelerating execution, reducing regulatory and timing risk, and ensuring the Vietnam facility is established to a compliant, scalable and investment-ready standard.

This engagement is critical to establishing the scalable production base required to meet TBS supply obligations and to support Papyrus's broader commercialisation and global expansion roadmap.

Comment from the Chair

"Executing the board production contract and engaging Hall Chadwick are foundational steps in our effort to deliver under our first commercial contract with TBS. These actions are an important step in establishing the production pathway and a long-term, scalable manufacturing footprint in Vietnam."

The board production contract allows Papyrus to leverage existing paper manufacturing capability for process steps that are not core to its technology, allowing Papyrus to focus on scaling its core IP and technology."

This announcement has been approved for release by the Board of the Company.

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About Papyrus

Papyrus Australia Ltd (ASX: PPY) is an innovative company providing sustainable solutions using its patented and patent pending technology to process agricultural waste (currently focused on banana plantations) into high-quality alternatives to wood, paper, and plastic products.

About TBS Mining Solutions Pty Ltd

TBS Mining Solutions Pty Ltd, a wholly owned subsidiary of Aquirian Limited (ASX: AQN), specialises in innovative equipment and systems for Mining Drill and Blast products and services including the patented Collar Keeper® product.

About Hall Chadwick Melbourne Pty Ltd

Hall Chadwick Melbourne Pty Ltd (“Hall Chadwick”), a national chartered accounting and advisory firm to assist with the establishment of Papyrus’s high-volume production capability in Vietnam.