

ASX ANNOUNCEMENT

21 May 2026

TBS Milestone Update: Delivery of Product Samples

Papyrus Australia Ltd (“Papyrus” or “the Company”) refers to:

- its ASX announcement dated 28 November 2025¹ disclosing the execution of the manufacturing and supply agreement with TBS Mining Solutions Pty Ltd (“TBS”) (“TBS Contract”); and
- its ASX announcement dated 28 April 2026² disclosing the execution of a contract for board production (“Milestone 1”),

(together, the “TBS Announcements”).

TBS Milestone 2: Delivery of 200 Product Samples

As disclosed in the TBS Announcements, under the TBS Contract:

- Papyrus must deliver 200 product samples for product acceptance (“Milestone 2”) by 31 March 2026 (“Milestone 2 Target Date”); and
- TBS may terminate the TBS Contract if Papyrus does not achieve Milestone 2 within 90 days after the Milestone 2 Target Date (i.e. by 29 June 2026).

Papyrus advises that it has today delivered 200 Biodegradable Collar Keeper product samples (“TBS Product Samples”) to TBS for product acceptance, satisfying the requirements of Milestone 2 under the TBS Contract. While Milestone 2 was achieved after the Milestone 2 Target Date, it was completed prior to 29 June 2026, and therefore within the cure period for Milestone 2.

The TBS Product Samples were produced using virgin agricultural waste pulp generated through Papyrus’ proprietary technology and converted into paperboard onto jumbo rolls via third-party manufacturing partners using commercial-scale equipment. The utilisation of Papyrus’ pulp on a production scale paperboard line represents a significant step toward commercial supply.

As disclosed in the TBS Announcements, supply commencement under the TBS Contract is subject to achieving certain milestones under the TBS Contract, including testing and acceptance of the TBS Product Samples (“Milestone 3”) by 30 April 2026 (“Milestone 3 Target Date”). TBS may terminate the TBS Contract if Milestone 3 is not achieved within 90 days after the Milestone 3 Target Date (i.e. by 29 July 2026).

Satisfaction of Milestone 2 enables TBS to commence formal product testing and larger-scale field trials before acceptance, as required in connection with Milestone 3. Achievement of Milestone 2 represents the first production-scale conversion of Papyrus pulp into paperboard for customer qualification purposes. Milestone 2 further demonstrates the Company’s ability to produce product

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

² Please refer to the ASX Announcement [“TBS Milestone Update Execution of Board Production Contract”](#) released on 28 April 2026.

samples using commercial-scale manufacturing processes and therefore represents an important operational milestone for Papyrus.

Delivery of the TBS Product Samples does not itself result in material revenue recognition. Revenue under the TBS Contract remains subject to achieving certain milestones under the TBS Contract, including Milestone 3.

TBS Milestone 3 Update

Although Milestone 3 was not achieved by the Milestone 3 Target Date of 30 April 2026, Papyrus expects to achieve Milestone 3 by 29 July 2026, and therefore within the cure period for Milestone 3. The timing and outcome of testing and acceptance remain subject to the TBS's testing and acceptance process.

Comment from the Chair

“Delivering the 200 product samples required under Milestone 2 is another important step in our commitment to TBS and in demonstrating the scalability of our manufacturing pathway and further progress toward the commercialisation of our technology. These samples reflect the progress we have made in establishing a scalable production pathway and validating our ability to meet customer specifications.

We look forward to supporting TBS through the testing and acceptance phase as we continue to advance toward full commercial supply.”

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

ENDS

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.