ASX ANNOUNCEMENT

30 October 2026

FY26 AGM Address

Papyrus Australia Ltd (ASX:PPY) provides the following addresses to be delivered by the Executive Chair and the Chief Executive Officer at the Company's Annual General Meeting to be held today.

Executive Chair's Address

Dear Shareholders,

It is my privilege to welcome you to Papyrus Australia's 2026 Annual General Meeting.

Last year I described FY25 as a pivotal year in which we moved from research and development toward commercialisation. FY26 is the year that transition became real. We signed our first major commercial contract, brought our Adelaide facility into full operation, established a production pathway in Vietnam and delivered our first commercial-scale product samples to a customer.

A year of delivery

Four achievements stand out for the Board.

- **Our first commercial contract.** In November 2025 we executed our Contract for Manufacture and Supply with TBS Mining Solutions, a subsidiary of Aquirian Limited. The contract makes Papyrus the exclusive global producer of the biodegradable Collar Keeper® product. It carries estimated revenue of approximately $4.2 million over its initial 3.5-year term.
- **Our technology proven at scale.** The Adelaide Rapid Prototyping & R&D Facility moved from installation to full operation. It is now the centre of our process validation, product development and customer engagement.
- **Our first customer samples.** In the June 2026 quarter we delivered our first commercial-scale product samples to TBS. This is an important step from the laboratory to the customer.
- **An international production pathway.** We executed a binding Board Production Contract with a Vietnam-based paperboard manufacturer, satisfying Milestone 1 of the TBS contract.

Our CEO, Daniel Schmidt, will take you through each of these in more detail shortly.

Momentum since year end

Momentum has continued since 30 June. In July and August we:

- agreed a revised milestone timetable with TBS, allowing time to produce and test a second batch of Collar Keeper® samples;
- completed production of board for that second batch, incorporating learnings from the first trial;
- expanded pulp production capacity at our Adelaide facility to support initial commercial production for TBS;
- filed a new provisional patent application arising from work at our R&D facility; and
- secured $700,000 in additional loan funding and appointed L39 Capital as lead manager for a proposed capital raising.

Financial position and funding

Our loss after tax for FY26 was $1.48 million, roughly half of the $2.83 million reported in FY25. Expenditure was focused on the Adelaide facility, long-lead equipment for commercial production, and our obligations under the TBS contract.

We are grateful for the continued backing of our shareholders, directors and government partners. During the year we received our FY25 R&D Tax Incentive refund, secured an R&D Tax Incentive-backed loan facility, and received

funding under the Australian Government's Industry Growth Program. Investors and directors contributed approximately $1.25 million through equity, convertible notes, loans and option exercises.

As a company moving into commercialisation, we remain reliant on capital to fund the next stage of growth. The Board's priority is to fund the scale-up responsibly and in the interests of all shareholders.

Governance and leadership

We strengthened our Board and leadership team to match the demands of a commercial business. Daniel Schmidt joined as Chief Executive Officer in August 2025, Patricia Vanni as Company Secretary, and Arthur Stavrou as Non-Executive Director, bringing deep international commercial and legal experience.

Review of Papyrus Australia's Egyptian Investment

Papyrus commenced a review of its investment in Egypt to identify the most effective way to unlock value for shareholders from this long-standing investment, and to improve the Company's operations and financial performance in light of current losses.

The Board and management have made good progress in assessing the current arrangements and evaluating a range of options. This work is focused on developing a structure that aligns with the Company's strategic priorities and maximises the value of the investment.

To manage the process efficiently, Papyrus Australia engaged MENA Associates, in association with AMERELLER, a leading international law firm specialising in corporate and commercial law. With a history dating back to 1999, AMERELLER combines extensive regional experience with international expertise in advising clients on corporate restructurings and related legal matters across the MENA region.

To date, MENA Associates has, on Papyrus' behalf, liaised with local management in Egypt and issued a document request letter listing the records required for the review. As at the date of this report, the requested information and documents have not yet been received.

Papyrus will keep shareholders informed of material developments in line with its continuous disclosure obligations.

Outlook for FY27

Papyrus enters FY27 with a clear pathway toward commercial-scale production. Our focus has shifted from proving the technology to executing and scaling it. Our priorities are to:

- bring the Adelaide scale-up production facility into operation;
- complete the TBS acceptance process and move to commercial production of Collar Keeper®;
- develop our Vietnam partnership as a high-volume manufacturing pathway;
- broaden engagement with customers across packaging and fibre-based products; and
- secure the funding needed to deliver this plan.

Closing remarks

FY26 strengthened the foundations of this Company. We now have a commercial contract, an operating technology platform, an international production partner, and a team built for execution. There is important work ahead, and we approach it with confidence.

On behalf of the Board, I thank you, our shareholders, for your continued support. I also thank our CEO, our staff, and our technical partners and collaborators, including the team at Adelaide University's Future Industries Institute, for their efforts throughout the year.

Thank you.

Adj. Prof. Al Jawhari
Executive Chair
Papyrus Australia Ltd

CEO Address

Dear Shareholders,

At last year's meeting I said Papyrus was at an inflection point, moving from R&D investment to commercial execution. Twelve months on, I am pleased to report on the operational progress behind that shift. The Executive Chair has covered the year at a strategic level; I will take you through each workstream in detail and set out our priorities for FY27.

In summary, FY26 was about four things: executing the TBS contract, bringing the Adelaide facility into full operation, building a Vietnam production pathway, and preparing for commercial-scale production in Australia.

1. TBS Collar Keeper® contract

The TBS contract is our first major commercial agreement and the anchor of our commercialisation plan. What we achieved in FY26:

- **Binding Terms Sheet** signed with TBS Mining Solutions, a subsidiary of Aquirian Limited, in the September 2025 quarter.
- **Full Contract for Manufacture and Supply** executed on 27 November 2025. Papyrus is the exclusive global producer of the fibre-based Collar Keeper® variant, with estimated revenue of approximately $4.2 million over the initial 3.5-year term and a 3-year option to extend.
- **Milestone 1 satisfied** through the binding Board Production Contract executed in Vietnam (detailed below).
- **First commercial-scale samples delivered** to TBS in the June 2026 quarter, made on commercial-scale board-forming and conversion equipment operated by third-party partners.

Testing of this first batch has given us valuable performance data. It is informing final product development, and Papyrus and TBS are jointly refining key board attributes ahead of final specification. Both parties agreed to produce and test an additional batch of samples as part of the acceptance process, and I cover our progress on this since year end below. TBS and Papyrus remain committed to completing development and progressing to commercial launch.

This is normal for a new product moving into a demanding mining application. Getting the specification right now protects the long-term value of the contract.

2. Adelaide Rapid Prototyping & R&D Facility

The facility at Adelaide University's Future Industries Institute moved from installation to full operation during FY26. It is now our central platform for process validation, product development and customer engagement. Key milestones during the year:

- **Equipment installed and commissioned.** The moulding line and the prototype pulp preparation system were delivered, installed and commissioned.
- **Primary process optimised.** The Prototype Primary Process was commissioned and optimised, enabling continuous fibre extraction trials.
- **Pulp validated for board.** We optimised our pulp furnish for high-strength board applications and validated its performance on commercial-scale board-forming lines.
- **Pulp supplied for TBS trials.** Pulp from the facility supported the TBS board trials and refinement of the Collar Keeper® board specification.
- **First moulded trays produced.** The moulding line produced its first trays, meeting our internal quality expectations for strength, form and surface finish. Further samples have been made for internal evaluation and customer engagement.
- **Engineering for scale.** Design work advanced from concept toward detailed design, including the primary processing unit and a second phase of design to support scale production of pulp.
- **Scale-up preparation.** Toward year end we began scale-up design and preparation to transfer capability from the R&D facility to our manufacturing pathway.

We also continued our partnership with the University, including its internship program, which gives us analytical capability and develops students in advanced manufacturing and sustainable materials.

3. Vietnam production pathway

In the June 2026 quarter we executed a binding Board Production Contract with a Vietnam-based paperboard manufacturer. Under this agreement:

- Papyrus supplies pulp made in Australia using our proprietary technology;
- the partner converts it into paperboard jumbo rolls to our specifications;
- two initial production trial runs will be completed at a fixed cost; and
- long-term pricing will be negotiated after the trials.

This model lets us focus our capital on our core fibre technology, while using established manufacturing capability for non-core processing steps. We engaged Hall Chadwick Melbourne to support the establishment of high-volume production in Vietnam. We also continued site visits and due diligence with prospective Vietnamese partners to confirm the most efficient path to high-volume capacity in the region.

4. Australian Commercial Production Facility

We advanced planning for our Australian Commercial Production Facility in Adelaide during FY26.

- **Site:** logistics and feasibility work identified a suitable site, and lease negotiations progressed, with commercial terms nearing completion at year end.
- **Equipment:** we placed orders for long-lead pulp preparation equipment, securing critical-path components ahead of establishment.

5. Intellectual property

We continued to progress our patent portfolio, advancing applications for our proprietary mouldable cellulosic fibrous pulp technology and national phase processes in key markets.

6. Funding and financial performance

Our loss after tax fell to $1.48 million in FY26, from $2.83 million in FY25. Funding during the year came from:

Source	FY26
R&D Tax Incentive refund (FY25 expenditure)	$505,721
R&DTI-secured loan facility (up to $500,000)	$166,335 drawn at 30 June 2026
Industry Growth Program grant ($250,000)	$235,000 received
Investors and directors (equity, convertible notes, loans, options)	Approx. $1,247,000

This funding paid for commissioning the Adelaide facility, long-lead equipment for commercial production, and delivery of our TBS obligations.

7. Post-FY26 events (July to September 2026)

We have continued to make progress since 30 June 2026.

- **TBS milestone variation (3 August 2026).** We agreed with TBS to vary the project milestone timetable under the contract, giving us the time needed to produce and deliver additional product samples for testing and acceptance.
- **Second batch of TBS board produced (August 2026).** We completed a second production-scale trial of our pulp on a paperboard line with our manufacturing partners, producing board for the second sample batch. Our team attended the run and worked with our partners to optimise conversion of Papyrus pulp into board for the TBS application, building on learnings from the first trial.
- **Expanded pulp capacity in Adelaide (August 2026).** The R&D facility increased its pulp production capacity to support initial commercial production requirements for TBS boards, while maintaining ongoing product development and R&D.
- **New provisional patent (21 August 2026).** We filed Australian provisional patent application No. 2026907194, “Method of Manufacturing Moulded Fibre Product With Fibre Reinforcement Elements”, arising from new

insights at our R&D facility. It secures a priority date and a 12-month period to progress R&D and evaluate commercial potential. Any future applications remain subject to further research, development and validation.

- **Funding (July to September 2026).** On 22 July we appointed L39 Capital as lead manager for a proposed capital raising and entered an unsecured loan facility of up to $200,000 with Irwin Biotech Nominees. On 14 August we announced a further $500,000 in funding facilities through four unsecured loan agreements with professional and sophisticated investors. All $700,000 was received during the quarter, and we drew approximately $148,000 under our existing R&D Tax Incentive loan facility in July. Subject to shareholder approval at this meeting, the Irwin Biotech loan will convert into shares and attaching options, and the outstanding amounts under the $500,000 loans (including accrued interest) will convert into Tranche 2 Unsecured Convertible Notes.
- **FY26 Preliminary Final Report (31 August 2026).** We released our unaudited Appendix 4E for the year ended 30 June 2026.
- **Improved board performance (September 2026).** Our internal testing of board from the second production run confirmed significantly improved performance compared with the first production-scale trial. Samples from the second run have been produced and sent to TBS for testing.
- **New customer engagement (September 2026).** We began engaging additional potential customers for our paperboard products, supported by the improved performance demonstrated in the second production run. These engagements are at an early stage and there is no certainty that they will result in commercial agreements.
- **2026 Annual Report (22 September 2026).** We released our 2026 Annual Report, available on the ASX platform and our website.

Outlook – FY27 execution priorities

Our focus for FY27 is execution and scale-up. Our priorities are:

- **Adelaide scale-up facility:** finalise the site, install the long-lead equipment and bring the facility into operation.
- **TBS acceptance and supply:** complete TBS testing and acceptance of the second sample batch, finalise the board specification, and begin board production for TBS once acceptance criteria are met.
- **Vietnam:** complete up to two production trial runs, negotiate long-term pricing, and continue building the high-volume pathway.
- **Technology:** keep optimising and scaling our fibre processing technology.
- **New customers:** grow engagement with prospective customers across packaging and fibre-based products, using moulded and board samples from Adelaide.
- **Funding:** complete the proposed capital raising to fund this program.

Closing remarks

A year ago we had a terms sheet and the R&D facility being installed. Today we have an executed contract, an operating R&D facility, a Vietnam production contract, customer samples in testing, and a clear plan to scale. The task now is to convert this progress into sustained commercial production and revenue.

I thank our team, our partners at TBS, Adelaide University and in Vietnam, our Board, and you, our shareholders, for your support.

Thank you.

Daniel Schmidt
Chief Executive Officer
Papyrus Australia Ltd

ENDS