

ASX ANNOUNCEMENT

31 August 2020

EBFC update and Papyrus Acquires equity interest in EBFC

Papyrus Australia Ltd (“PPY”/“Company”/“Papyrus”) a world leading “agricultural waste fibre technology company” is pleased to advise that:-

1. EBFC production in Sohag, Egypt

Egypt Banana Fibre Company (EBFC) has advised the Company that production at the Sohag factory continues to grow with MUSA organic Liquid Fertilizer performing extremely well to the extent that they had to double production to cope with the ever increasing demand. Bukashi artificial agricultural soil replacement fibre (similar to peat in usage) is going steady in the market and banana Veneer is steady in the local markets with exports starting to Japan.

In addition, EBFC advised that the moulded fibre products trials were successful and attached are pictures of the plates and food packaging products made by a toll manufacturer under EBFC supervision. The market for these single use environmentally friendly and hygienically clean food contact products is increasing rapidly especially due to Covid-19 and we are in a great position to exploit that opportunity.



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2. PPY purchase of significant interest in EBFC

As previously announced to the market (ASX release 29 June 2020), Papyrus has completed its acquisition of 15% equity in Egypt Banana Fibre Company (EBFC).

Funding for the transaction came from the capital raised from, and with the endorsement of, **UP Equities**

EBFC together with PPY own Papyrus Egypt (50/50). Papyrus Egypt owns the Sohag factory and has the rights to exploit the technology in Egypt and the Middle East.

The Managing Director, Ramy Azer, said that “this acquisition is another step in strengthening the relationship with our joint venture partner. The Sohag factory is the commercial representation of years of hard work. Now that this factory is in cash positive production, one can comfortably state that our banana fibre technology is commercially viable. ”

Ramy Azer – Managing Director