

ASX ANNOUNCEMENT

04 December 2020

Successful Completion of \$3m Institutional Placement

Highlights

- **PPY has received firm commitments of \$3m from sophisticated and institutional investors**
- **The Placement was non-brokered and attracted strong demand from existing strategic investors**
- **PPY is now well funded to move forward in the implementation of its business plan**
- **Proceeds will put PPY on a strong path towards production and marketing of high-margin fibre-based moulded products with a significant total addressable market**

Papyrus Australia Ltd (ASX:PPY) (“Papyrus”/“Company”) is pleased that it has received firm commitments from existing and new investors to immediately raise \$3.0 million through a Placement (“**Placement**”). Under the Placement, 60 million new ordinary shares will be issued at \$0.05 per share to participating investors.

No lead manager was appointed for the Placement despite interest from multiple parties. The Placement generated significant interest from existing sophisticated investors and new sophisticated investors. The Company has determined to consider taking funds from new investors on a case by case basis to limit further dilution.

Acceleration of Phase 2 Initiatives

Papyrus has now finalised its Phase 1 initiatives ahead of schedule as per its internal Business Plan (refer **ASX Release 02 October 2020**). It now intends to progress to Phase 2 initiatives with the growth capital available from the Placement.

Papyrus MD, Ramy Azer commented: “The continuing and overwhelming support for the Placement demonstrates the confidence for Papyrus’s continued growth and expansion. We have already begun the process of increasing production at the Sohag Factory with hiring of new staff and ordering of new machinery. We can now move to Phase 2 of our Business Strategy for commercial scale production of fibre-based moulded products around a trustworthy and well-known brand.”

Sustainable Packaging Tailwinds

Governments around the world have adopted various regulations for minimising and managing packaging waste. Additionally, top 100 Fast-Moving Consumer Goods (FMCG) companies and retailers have made declarations and commitments to focus on sustainable packaging in all their products¹. According to Mordor Intelligence, the green packaging market is forecasted to grow from US\$237.74 billion in 2019 to a value of US\$313.93 billion in 2025².

¹ Berg, P., Feber, D., Granskog, A., Nordigården, D. and Ponkshe, S., 2020. The Drive Toward Sustainability In Packaging—Beyond The Quick Wins. [online] Available at: <<https://www.mckinsey.com/industries/paper-forest-products-and-packaging/our-insights/the-drive-toward-sustainability-in-packaging-beyond-the-quick-wins>>

² 2019. Green Packaging Market - Growth, Trends, And Forecasts (2020 - 2025). Packaging. [online] Mordor Intelligence. Available at: <<https://www.mordorintelligence.com/industry-reports/green-packaging-market>>

ABOUT PAPYRUS AUSTRALIA

Papyrus Australia Ltd (ASX: PPY) is a fibre extraction and processing technology company utilising Banana Tree Trunk (BTT) waste. The company holds multiple patents for the primary process of BTT waste, and has proprietary and confidential “know-how” for production of commercially viable volumes of fibre and multiple fibre products. The company successfully operates a factory in Egypt as part of a Joint Venture based on Circular Economic principles of sustainability.

This announcement is authorised by the Board of Papyrus.

For further information on Papyrus and L39 Capital, please contact either:

Edward (Ted) Byrt
Chairman, Papyrus Australia Ltd
E: edward.byrt@papyrusaustralia.com.au
M: + 61 419 853 355

Faisal Mahboob
Senior Analyst, L39 Capital Pty Ltd
E: faisal@l39capital.com
M: +61 423 844 267

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