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## **Capricorn Society increases strategic investment in Pearl**

### **Highlights**

- **Capricorn invests a further \$1.75 million**
  - **Joint focus on commercial solvent and degreaser product lines**
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Pearl Global Limited (Pearl) (ASX:PG1) is pleased to announce that Capricorn Society Ltd (Capricorn) has committed to increase its strategic investment in Pearl by a further \$1.75 million by way of the issue to Capricorn of 7,608,696 million new fully paid Ordinary Shares in PG1 at a price of \$0.23 per share. Upon issue of these shares, Capricorn's shareholding in Pearl will increase to approximately 6.1%.

Concurrently with the issue of the shares to Capricorn, a further placement of 350,000 new fully paid Ordinary Shares in PG1 is proposed to be made to Clarte Pty Ltd (Advisory Firm), at a deemed issue price of \$0.23 per share in consideration for advisory services provided to the Company in relation to the issue of shares to Capricorn.

All of the above shares will rank equally with the existing Pearl ordinary shares on issue, and will be issued utilising Pearl's placement capacity under Listing Rule 7.1. Pearl intends to complete the issue of the shares as soon as practicable, following the lodgement of a "cleansing" prospectus to facilitate secondary trading of the shares.

### **Purpose of Share Issue**

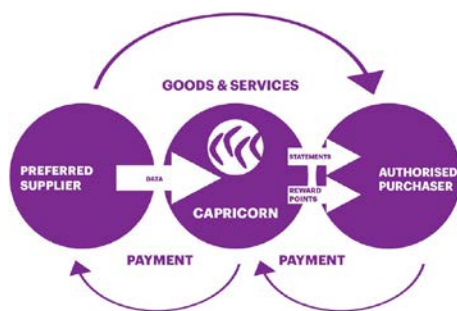
The purpose of Capricorn's strategic investment is to continue the commercial development of Pearl Global's industrial degreaser following the success of workshop field trials thus far. The degreasers are manufactured from solvents refined from the raw oils being reclaimed from its unique tyre process.

### **Capricorn – the largest Automotive Cooperative in Australia**

Capricorn Society Ltd was established in 1975 and today boasts almost 18,000 automotive industry members, with a turnover exceeding AU\$1.6 Billion, making Capricorn the largest automotive cooperative in Australia.

The most significant part of Capricorn's operations is acting as financial intermediary between members (automotive and allied industries, typically independent repairers and specialist technicians and mechanics) and preferred suppliers (including leading automotive suppliers) through accounts provided by Capricorn. These accounts give members access to credit provided by Capricorn for purchases of goods and services

from preferred suppliers appointed by Capricorn to best meet the needs of their members, including fuel on Capricorn issued or arranged fuel cards. The operation of the scheme is depicted in the diagram below.



### Environmental Benefits – potential for a true circular economy

Since December of 2016, when representatives of Capricorn performed a site visit to Pearl’s prototype plant in Mogumber in Western Australia, Capricorn has closely monitored Pearl’s steady progression towards the commercial application of its technology.

Capricorn took an initial strategic investment in Pearl under Pearl’s public offer of shares made regarding its readmission to quotation on the ASX, which took effect in February 2018. Pearl is pleased that Capricorn has now agreed to increase its investment, following a period of working with Pearl on field trials of Pearl’s commercial degreaser products.

Pearl is excited to be able to work with Capricorn to seek to generate, at least in part, a true circular economy effect involving Pearl, Capricorn and its members - arising through Pearl’s ability to facilitate the collection of used tyres from Capricorn’s members (constituting a significant environmental benefit), from which it can in turn make products such as degreasers which may be of interest to Capricorn’s members.

### Development of products from waste tyres

As previously reported to the market, Pearl degreasers have been deployed to a selected group of Capricorn members that have commercially trialled the degreaser product at workshops and stores over the last 5 months. Currently in its 3<sup>rd</sup> field trial sequence of an expected 4, feedback from these trials has been extremely positive.

Prior to the field trials, Pearl and the University of Western Australia (UWA) conducted scientific testing using Australian degreaser standards as a benchmark and compared the performance of Pearl’s products against a number of the commercial products used by automotive service and repair workshops. While, at a scientific level, the UWA testing showed Pearl’s products to be superior to the products it was benchmarked against, Pearl has carefully refined the products considering the feedback from the pilot workshops.

Capricorn CEO Greg Wall said that, *“having played a critical role in development of Pearl’s first commercial degreaser product, Capricorn is keen to provide its environmentally conscious and committed membership an environmentally sustainable place to dispose of their waste tyres whilst being able to use high quality products made from those tyres.”*

Pearl Chairman Gary Foster advised that *“Pearl is committed to developing a range of high value products from waste tyres. We are incredibly excited that some of these products will be able to be used by the very people who entrusted Pearl with their waste tyres for disposal in the first place.”*



Photo courtesy of Pearl Global; Production Plant – Staplyton QLD.

Pearl looks forward to keeping the market updated on its activities.

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### **About Pearl Global Limited**

*Pearl Global Limited (Pearl) (ASX:PG1) is a revolutionary tyre processing company that applies unique, next-generation thermal desorption technology to cleanly convert tyres into valuable secondary products. Pearl has Australia's first and only environmental approvals for the thermal treatment of rubber, and is in the process of commissioning its first commercial-scale production plant in Staplyton, Queensland.*

*Pearl's technology is a significant advancement on other methods of processing waste tyres because it has low emissions, no hazardous by-products, requires no chemical intervention and is the only process that meets the standard emissions criteria set by the Australian regulators for this type of technology.*

*Tyres are not naturally degradable, with tyre fires<sup>1</sup> and pollution<sup>2</sup> becoming major causes for concern, Governments are increasingly seeking solutions for dealing with waste tyres, and Pearl's technology provides a clean solution to this global problem.*

#### **Further information, please contact:**

**Investors** – Cameron Low, Cadmon Advisory, T: +613 9225 5474, E: [cameron@cadmon.com.au](mailto:cameron@cadmon.com.au)

**Media** – [info@pearl-global.com.au](mailto:info@pearl-global.com.au)

**Website** – <https://www.pearl-global.com.au>

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<sup>1</sup> Tyre fires a major hazard [ABC News 28 June 2017 re Tyre Fire Rocklea](#)

<sup>2</sup> A global pollution problem [Report on tyre recycling and California smog problem](#)