

PEARL INCREASES TYRE COLLECTION FEES and DOMESTIC SALES

HIGHLIGHTS:

- Pearl has increased its tyre collection fees by an average of 20%, as the education of its superior environmental benefits gain traction with industry
- Domestic sales on the increase for Pearl's Tyre Derived Fuel Oils, recovered Carbon Black and Steel and sales pipeline expanded as more companies keen to address the growing problem of the disposal of waste tyres.
- Government policies and initiatives banning certain waste streams, including tyres, are continuing to support increasing demand for Pearl's solution to the disposal of waste tyres.

Environmental technology company Pearl Global Limited (**ASX: PG1, Pearl or the Company**) advises of changes to its pricing model expected to benefit the Company.

TYRE COLLECTION FEES

Over the past three months of operations, Pearl has steadily marketed its clean conversion of used tyres solution to an increasing number of high volume users of tyres. These high volume users are typically required to dispose of their used tyres to an accredited used tyre recycler.

Pearl has successfully demonstrated its value proposition to these high volume users, many of whom are increasingly weighing Environmental, Social and Governance (ESG) factors in their choice of tyre disposal. This shift supports the Company's strategic position in the 'circular economy', where "waste" is converted back into valuable product for re-use.

As a result, Pearl has been able to better reflect the "value-in-use" of its tyre disposal process and secure increased collection fees averaging an approximate 20% increase measured against the corresponding period in FY20. The new pricing became effective as of 1 March 2021.

Chairman Mr Gary Foster said that, *"as Pearl increases its profile and demonstrates the positive impact its reclaimed products has within industry, we are seeing entities required to dispose of used tyres weigh up the benefit of aligning their business with a domestic processor of tyres that provides a transparent and significant environmental benefit. This has seen an increase in demand for our services to the point where we have been able to be more selective with the customers we choose. Whilst this is an enviable position for Pearl to be in, the key in the coming months is to balance the overwhelming supply of tyres with processing capabilities."*

Mr Foster went on to say that *“to address the ability for us to process more, we have financially committed to the build of the 4th Thermal Desorption Unit and a Rubber Crumbing plant to increase our processing capabilities which we expect to come on line in the coming weeks, given all things be equal. This will allow us to increase our volumes and again, strike a balance between tyre collections and production increases.”*

Pearl’s unique process cleanly converts used tyres into fuel oils, recovered carbon black and steel. These products are then re-used in many applications, including the manufacture of asphalt and bitumen used in Queensland’s domestic infrastructure development.

DOMESTIC SALES ON THE INCREASE

The Company previously advised shareholders of its strategy of targetting domestic markets for its cleanly converted products. Since the start of the calendar year, gains have been made in the sale of tyre derived fuel oils, recovered carbon black and steel to the domestic market. Whilst Pearl expects to post modest gains this quarter, there is considerable momentum building, as other players in the domestic markets see the value proposition and tangible benefits of the Company’s unique product offering. Pearl’s sales pipeline has expanded to incorporate industrial sectors outside of the asphalt market, Pearl’s first target market, with advanced discussions with companies in explosives, cement and steel making.

ESG, THE CIRCULAR ECONOMY AND GOVERNMENT POLICY

The government policies recently implemented and further initiatives relating to the banning of certain forms of waste disposal (refer to Pearl ASX Announcement of 9 October 2020) have created a supportive environment for Pearl’s business model. As example, the Australian Government’s National Waste Policy publication provides a framework for waste and resource recovery in Australia which includes tyres. Similarly, the Australian Government’s Recycling and Waste Reduction Act 2020 references the banning of certain tyre waste being exported from Australia.

Pearl’s broader role in driving a more sustainable future is clear in the recent success of its strategic partner Aussee Road Services Pty Ltd (Aussee) which is providing Pearl and Aussee’s jointly developed product, Zeroad™, to new customer Moreton Bay Council.

As announced to the ASX on 29 January 2021, Moreton Bay Council recently laid the Zeroad™ product in its Shire, allowing Queenslanders’ waste tyres to be put back into Queensland roads through Pearl’s tyre-derived fuel oils and recovered Carbon Black. According to Aussee Road Services Pty Ltd, this process saw the reutilization of 10 tyres per tonne of asphalt laid thanks to Pearl unique thermal desorption process.



Zero Road Asphalt being laid at King Street, Moreton Bay January 2021 (Source: Ausee Asphalt Pty Ltd)

In a media release published on the 5th February 2021 by Moreton Bay Council, Moreton Bay Mayor, Peter Flannery, said:

"I was shocked to learn 70% of Queensland tyres end up in landfill, and with around 130,000 registered vehicles here in Moreton Bay, I wholeheartedly believe we need to do our part.

"Tyres can take up to 80 years to break down and take up an enormous amount of space in landfill, so I'm thrilled to instead be using a waste product as part of an infrastructure solution.

"This new road renewal takes our green approach to another level by using roughly 22,000 tyres and giving them a new life as road resurface. That's 2,200 tonnes of tyres that have been used sustainably on our roads instead of the tip, and 93,000 kg of carbon savings. For each tonne of this premium asphalt, 10 car tyres are removed from our landfills and repurposed into our roads.

"We are the third largest Council in Australia, so I'm proud to be taking a leading position on how we can reuse and recycle, to ensure we leave our environment in a better place for our children."

Authorised by:
Gary Foster
Chairman

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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 including waste to energy opportunities. Pearl holds Australia's first environmental approvals for the thermal treatment of rubber and is in commercial production at its facility in Stapylton, 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.