

PRESS RELEASE

23 million euros for sustainable packaging materials: ECBF leads Paptic financing round

- ECBF expands its technology portfolio and invests in Paptic, a growth-stage producer of fiber-based packaging materials to promote sustainability in the packaging industry
- Paptic's renewable and recyclable materials can replace plastic-based materials in numerous flexible packaging solutions
- Investments contribute to achieving the EU's recycling and climate targets according to the EU-Green Deal

Luxembourg, 4th of September 2023 - Together with the European Circular Bioeconomy Fund (ECBF), US-based chemical company [Ecolab](#) and Japanese trading house [Itochu Fibre Ltd](#), Paptic (www.paptic.com) has closed a Series A financing amounting to 23 million euros to drive the growth of the Finnish company and expand its materials portfolio.

Solutions for reducing the use of fossil-based materials in the packaging industry

The global market for flexible packaging is estimated at over 200 billion euros annually - 70 percent of the materials used are plastics. In nearly half of the end-uses, plastic could be replaced with renewable and recyclable Paptic® materials.

Many well-known companies have already committed to switching from plastics to packaging solutions from sustainable sources with low-carbon value chains, in line with the circular economy. The shift is being reinforced by recycling and climate targets in the EU and other markets.

For instance, [fischertechnik](#) replaces the plastic with Paptic® material in their packaging of its bio-based construction set "Animal Friends". With Paptic®, one of the sustainability forerunners in the toy industry, has replaced single-use plastic in pouches with wood fibre-based Paptic® material. The fibre-based and recyclable Paptic® material enables the production of a new, truly sustainable vegetable packaging solution. In this optimized packaging, all sustainability aspects are considered, including the substrate, design, printing, and inks.

ECBF leads 23 million euros growth capital funding round from Paptic

Founded in 2020, ECBF (www.ecbf.vc) invests in deep-tech companies that support the transition to a sustainable bioeconomy and bio-based circular economy. With this new investment, the impact fund aims to promote a new generation of materials based on sustainably sourced, renewable fibers instead of fossil raw materials and address global challenges such as plastic waste, climate change as well as resource scarcity.

Funding enables growth and the company's commitment to become carbon neutral by 2030

The new financing will support Paptic's growth and expand its material portfolio, making Paptic® flexible packaging materials more available globally. It will also enhance the company's ability to serve its global customer base and accelerate the industrial scaling of Paptic's foam-based manufacturing technology. In addition, the investment supports the company's commitment to be carbon-neutral by 2030.

"We are very happy that our work and solutions to reduce the use of fossil-based materials in flexible packaging are recognized as sustainable and commercially viable alternatives for today and tomorrow. The new investments enable us to take the next step in our company's journey to boost our growth to new markets ", says Tuomas Mustonen, CEO and co-founder of Paptic Ltd. "Our renewable and recyclable materials, with a unique touch and feel properties, are a drop-in solution to replace plastics in flexible packaging as they run efficiently on existing converting lines."

Guillaume Gras, Investment Director at ECBF, comments, "The versatile applicability of recyclable Paptic® materials provides an excellent basis to reduce the use of fossil-based materials in packaging. Our investment will provide Paptic with the resources to accelerate its international expansion, as well as to serve the growing demand for innovative sustainable packaging materials."

About Paptic

Paptic Ltd is a high-growth company established in 2015 with headquarters in Espoo, Finland. The company has developed Paptic®, a fibre-based and recyclable material to replace plastics and conventional materials in packaging. Paptic material has been available on an industrial scale since 2018. Today Paptic is a company of 35 professionals, and Paptic® materials are delivered to over 50 countries. www.paptic.com

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About the European Circular Bioeconomy Fund (ECBF)

The European Circular Bioeconomy Fund (ECBF) invests growth capital in ambitious and visionary entrepreneurs and encourages private and public investors to support the development of late-stage bioeconomy companies. The fund aims to make sustainable investments in our future and accelerate the transition from a fossil-based to a circular, bio-based economy. ECBF I SCSp qualifies as the most sustainable type of funds ("SFDR Article 9-Fund"). Based in Bonn, Germany, and with a total fund size of €300 million, to which the European Investment Bank (EIB) has contributed €100 million, the ECBF will be an important financial instrument to achieve the European Green Deal goals, including making Europe carbon-neutral by 2050. www.ecbf.vc

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