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Pearl Global Limited

ABN 90 118 710 508

Interim Consolidated Financial Statements

For the Half Year Ended 31 December 2021

Pearl Global Limited

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Results for Announcement to the Market

For the Half Year Ended 31 December 2021

1. Results for Announcement to Market

\$ AUD		2021	2020
Revenues from ordinary activities	Down 43.9%	858,902	1,531,211
Loss from ordinary activities before tax	Up 59.8%	5,831,492	3,649,722
Loss from ordinary activities attributable to the owners of Pearl Global Limited	Up 68%	5,990,149	3,566,008
Loss for the half year attributable to the owners of Pearl Global Limited	Up 68%	5,990,149	3,566,008

2. Net tangible assets

Cents		2021	2020
Net tangible assets per ordinary security		0.94	2.93

3. Control gained over entities

On the 3rd of December 2021 Pearl Global Limited ("Pearl") acquired all of the shares of Keshi Technologies Pty Ltd ("Keshi"). Pearl issued 112,500,000 shares to the shareholders of Keshi as purchase consideration.

4. Loss of control over entities

Not applicable.

5. Dividends

There were no dividends paid, recommended or declared during the reporting period.
There were no dividends paid, recommended or declared during the previous period.

6. Dividend reinvestment plans

Not applicable.

Pearl Global Limited

Director's Report

For the Half Year Ended 31 December 2021

The directors submit the interim financial report of the Group for the half year ended 31 December 2021.

1. General information

Information on directors

The names of each person who has been a director during the half year and to the date of this report are:

- Mr Michael Barry – Non Executive Chairman (appointed to the Board on 17 August 2021)
- Mr Gary Foster – former Executive Chairman (resigned from Board on 27 September 2021)
- Mr Andrew Drennan – former Managing Director (resigned from Board on 27 September 2021)
- Mr Brian Mumme - Non-Executive Director
- Mr Brad Mytton - Non-Executive Director
- Mr Michael Barrett – Non-Executive Director

Directors have been in office since the start of the financial half year to the date of this report unless otherwise stated.

2. Operating results and review of operations for the year

Review of operations

A review of the operations of the Group during the half year and the results of those operations show:

Principal Activities

Pearl Global Limited ("Pearl") is a clean conversion technology company that applies unique thermal desorption technology to convert end of life tyres into valuable secondary products being fuel oil, steel, carbon char and energy. Pearl holds Australia's first environmental approvals to operate and process rubber through its thermal treatment plant.

Financial results

For the half-year ended 31 December 2021 the Group delivered a loss before tax of \$5,831,492 (31 December 2020: \$3,649,722 loss) as the company continues to develop and ramp up commercial operations.

Financial position

The net assets of the Group have increased from 30 June 2021 by \$3,037,186 to \$9,205,326 at 31 December 2021. As at 31 December 2021, the Group's cash and cash equivalents decreased from 30 June 2021 by \$880,224 to \$2,075,159 (30 June 2021: \$2,955,383).

Operational Highlights

Plant availability

The company is making progress based on the operational review that commenced early in the half year. Pearl's September quarter report spoke of the extensive operational and performance review undertaken and the requirements for numerous operational process and procedural changes. Those changes began to be implemented during the September quarter and continued at pace during the December quarter and through into the current quarter.

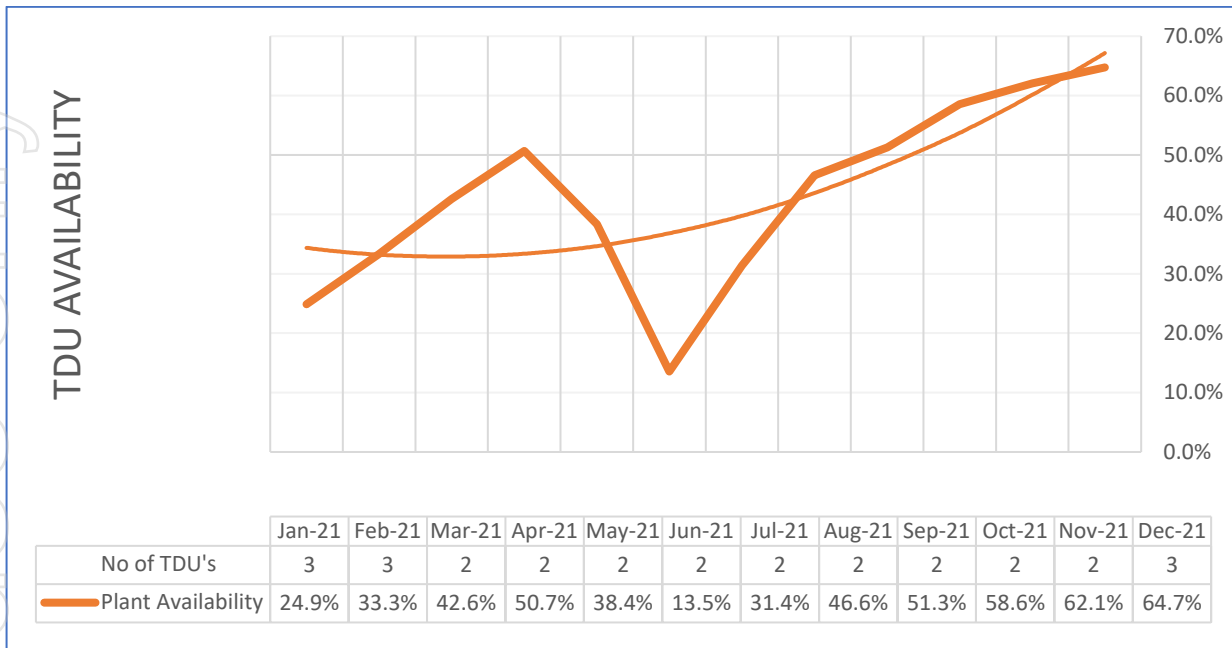
The changes have included construction of an automated control room, reducing the need for human intervention in the manufacturing processes, and a rigorous implementation of enhanced preventative maintenance programs. Commissioning of thermal tracing technology to the Thermal Desorption Units (TDUs) has begun.

This technology is expected to improve operational efficiencies directly relating to volumetric throughput and plant availability and also see a meaningful reduction in energy consumption.

The impact of the changes is shown in graph 1, below.

Pearl Global Limited

Graph 1



Renewal of Board and Management

During the half year the company refreshed its Board and Management structure. In August 2021, Mr Michael Barry was appointed as Non-Executive Chairman. In September 2021, the company's founders, Mr Gary Foster and Mr Andrew Drennan, moved to full time operational executive positions and stepped away from the Board. Complementing these changes was the appointment of Mr David Wheeley as CEO in December 2021 (commenced February 2022).

The industrial & resource recovery backgrounds of Mr Barry and Mr Wheeley will provide the company with the skills required to progress through the current phase of operational improvements into a position of sustained commercial viability.

Subsequent Events

On 17 December 2021 the company announced an entitlement offer to raise up to \$5,000,000 (before costs). On 13 January 2022, the company closed the entitlement component of the offer, and on 18 January 2022 issued 50,933,839 shares at a price of \$0.02, raising \$1,018,677.

The company anticipates completion of the remainder of the placement during March 2022.

No other matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods.

3. Auditor's independence declaration

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001* for the half year ended 31 December 2021 has been received and can be found on page 5 of the interim financial report.

This report is signed in accordance with a resolution of the Board of Directors pursuant to section 306(3)(a) of the *Corporations Act 2001*.

Director:

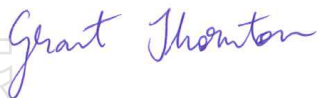
Dated this 28th day of February 2022

Auditor's Independence Declaration

To the Directors of Pearl Global Limited

In accordance with the requirements of section 307C of the *Corporations Act 2001*, as lead auditor for the review of Pearl Global Limited for the half-year ended 31 December 2021, I declare that, to the best of my knowledge and belief, there have been:

- a no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b no contraventions of any applicable code of professional conduct in relation to the review.



Grant Thornton Audit Pty Ltd
Chartered Accountants



CDJ Smith
Partner – Audit & Assurance

Brisbane, 28 February 2022

Pearl Global Limited

Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the Half Year Ended 31 December 2021

\$ AUD	Note	31 Dec 2021	31 Dec 2020
Revenue	6	858,902	1,531,211
Other income	6	115,737	329,030
Operating Expenses		(3,147,334)	(2,791,541)
Employee benefit expense		(1,357,037)	(768,494)
Depreciation and amortisation expense		(822,011)	(716,777)
Other operating expenses		(1,350,524)	(1,125,064)
Finance costs		(129,225)	(108,087)
Operating loss before tax		(5,831,492)	(3,649,722)
Income tax benefit/(expense)		(158,657)	83,714
Operating loss for the period		(5,990,149)	(3,566,008)
Items of Comprehensive Income		-	-
Total Comprehensive Income for the Period		(5,990,149)	3,566,008
Earnings per share			
Basic & diluted loss per share (cents per share)	7	(1.20)	(1.16)

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Pearl Global Limited

Interim Consolidated Statement of Financial Position

As at 31 December 2021

\$ AUD	Note	31 Dec 2021	30 Jun 2021
ASSETS			
Current Assets			
Cash and cash equivalents	8	2,075,159	2,955,383
Other Financial Assets	9	317,093	397,427
Trade and other receivables	10	903,276	999,898
Inventory	11	156,770	354,408
Other assets	12	233,487	169,612
Total current assets		3,685,785	4,876,728
Non-Current Assets			
Property, plant & equipment	13	6,102,219	5,286,546
Right-of-use asset	14	1,734,686	2,032,060
Intangible Assets	15	3,299,559	-
Total non-current assets		11,136,464	7,318,606
Total assets		14,822,249	12,195,334
LIABILITIES			
Current Liabilities			
Trade and other payables	16	1,205,340	1,356,944
Provisions	17	316,979	246,574
Financial Liability	18	437,500	437,500
Lease liability	19	576,576	552,858
Total current liabilities		2,536,395	2,593,876
Non-Current Liabilities			
Deferred Tax		830,491	671,834
Financial Liability	18	875,000	1,093,750
Lease Liability	19	1,375,037	1,667,734
Total non-current liabilities		3,080,528	3,433,318
Total liabilities		5,616,923	6,027,194
Net assets		9,205,326	6,168,140
EQUITY			
Equity attributable to the holders of the parent			
Issued Capital	20	41,826,029	32,813,517
Options reserve	20	249,801	234,978
Accumulated losses		(32,870,504)	(26,880,355)
Total equity		9,205,326	6,168,140

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Pearl Global Limited

Interim Consolidated Statement of Changes in Equity

For the Half Year ended 31 December 2021

Consolidated Equity 31 December 2021 \$ AUD	Note	Issued capital	Option reserve	Accumulated losses	Total equity
Balance as at 1 July 2021		32,813,517	234,978	(26,880,355)	6,168,140
Shares issued/(options expired) during the period	20	9,012,512	14,823	-	9,027,335
Operating Loss for the period		-	-	(5,990,149)	(5,990,149)
Balance as at 31 December 2021		41,826,029	249,801	(32,870,504)	9,205,326

Consolidated Equity 31 December 2020 \$ AUD	Note	Issued capital	Option reserve	Accumulated losses	Total equity
Balance as at 1 July 2020		23,276,183	4,628,022	(23,615,739)	4,288,466
Shares issued/(options expired) during the period	20	8,287,335	(1,136)	-	8,286,199
Operating loss for the period		-	-	(3,566,008)	(3,566,008)
Balance as at 31 December 2020		31,563,518	4,626,886	(27,181,747)	9,008,657

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Pearl Global Limited

Interim Consolidated Statement of Cash Flows

For the Half Year ended 31 December 2021

\$ AUD	Note	31 Dec 2021	31 Dec 2020
Cash flows from operating activities			
Receipts from customers		949,086	1,607,847
Payments to suppliers and employees		(5,505,303)	(6,362,442)
Interest received		-	213
Interest paid		(122,731)	(108,087)
Government grants and subsidies		100,000	284,848
Net cash outflow used in operating activities		(4,578,948)	(4,577,621)
Cash flows from investing activities			
Return of/(Payments for) deposits and bonds		80,542	-
Purchase of property, plant and equipment		(1,518,125)	(1,273,962)
Cash acquired from investment in subsidiary		61,076	-
Net cash outflow used in investing activities		(1,376,507)	(1,273,962)
Cash flows from financing activities			
Proceeds from issue of shares (net of issue costs)		5,614,363	8,286,199
Net proceeds from borrowings		-	1,793,192
Repayment of borrowings		(218,750)	
Repayment of lease principal		(320,382)	(290,262)
Net cash inflows from/(used in) financing activities		5,075,231	9,789,129
Net increase/(decrease) in cash and cash equivalents held		(880,224)	3,937,546
Cash and cash equivalents at beginning of the half year		2,955,383	2,213,152
Cash and cash equivalents at end of the half year		2,075,159	6,150,698

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Pearl Global Limited

Notes to the Financial Statements

For the Half Year Ended 31 December 2021

The interim financial report covers Pearl Global Limited and its controlled entities ('the Group'). Pearl Global Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia.

Each of the entities within the Group prepare their financial statements based on the currency of the primary economic environment in which the entity operates (functional currency). The consolidated financial statements are presented in Australian dollars which is the parent entity's functional and presentation currency.

The financial report was authorised for issue by the Directors on 27 February 2022.

Comparative data is in respect of the 6 months to 31 December 2020 unless otherwise stated and are consistent with prior periods, unless otherwise stated.

1 Basis of Preparation

This condensed consolidated interim financial report for the reporting period ending 31 December 2021 has been prepared in accordance with the requirements of the *Corporations Act 2001* and Australian Accounting Standard AASB 134: *Interim Financial Reporting*.

The interim financial report is intended to provide users with an update on the latest annual financial statements of Pearl Global Limited and controlled entities (the Group). As such it does not contain information that represents relatively insignificant changes occurring during the half year within the Group. This condensed consolidated financial report does not include all the notes normally included in an annual financial report. It is therefore recommended that this financial report be read in conjunction with the annual financial statements of the Group for the year ended 30 June 2021, together with any public announcements made during the half year.

The same accounting policies and methods of computation have been followed in this interim financial report as were applied in the most recent annual financial statements.

2 Adoption of new and revised accounting standards

The Group has adopted all of the new or amended accounting Standards and Interpretations issued by the Australian Accounting Standards Board (the AASB) that are mandatory for the current reporting period. Any new or amended accounting standards or interpretations that are not yet mandatory have not been early adopted.

3 Going Concern

The Directors have prepared the financial statements on a going concern basis, which contemplates continuity of normal business activities and the realisation of assets and settlement of liabilities in the normal course of business.

The Group has incurred a net loss after tax for the half year ended 31 December 2021 of \$5,990,149 (2020: \$3,566,008). For the half year ended 30 December 2021, the Group reported an operating cash outflow of \$4,578,948 (2020: \$4,577,621). As at 31 December 2021, the Group reported a net working capital of \$1,149,390 (2020: \$2,282,852).

Since reporting date, the group has commissioned a fourth TDU and anticipates growth in sales of both tyre derived fuel oil and steel in the period leading up to 30 June 2022. This anticipated growth reflects improved plant operations, including availability noted on pages 4 & 5 of this report. The group is also actively progressing the marketing of its carbon char product to the Asphalt industry and expects to see higher levels of offtake in the months following the date of this report.

Of note also is that with effect from 1 January 2022 the group introduced tyre collection fee increases across all categories of tyres. This fee increase leverages existing market dynamics, in particular the ban on export of whole tyres that was introduced on 1 December 2021 under the Recycling and Waste Reduction Act 2020 (Cth).

The Group will rely on the ability to secure funds by raising capital from debt and equity markets, and the capacity to manage both operating cash flow and capital expenditure to align with available funds.

These conditions indicate a material uncertainty that may cast significant doubt about the ability of the Group to continue as a going concern. In the event the above matters are not achieved, the Group will be required to raise funds for working capital from debt or equity sources.

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The directors have prepared a cash flow forecast, which indicates that the Group will have sufficient cash flows to meet all commitments and working capital requirements for the 12-month period from the date of signing this financial report.

Based on the cash flow forecasts and other factors referred to above, the directors are satisfied that the going concern basis of preparation is appropriate. In particular, given the Group's history of raising capital to date, the directors are confident of the Group's ability to raise additional funds as and when they are required.

Should the Group be unable to continue as a going concern it may be required to realise its assets and extinguish its liabilities other than in the normal course of business and at amounts different to those stated in the financial statements. The financial statements do not include any adjustments relating to the recoverability and classification of asset carrying amounts or to the amount and classification of liabilities that might result should the Group be unable to continue as a going concern and meet its debts as and when they fall due.

4 Business Combination

Keshi Technologies Pty Ltd

On 3 December 2021, Pearl Global Limited ("Pearl") acquired all the shares of Keshi Technologies Pty Ltd ("Keshi"). This constitutes a business combination pursuant to AASB 3 Accounting for Business Combinations. The company was acquired so that the Pearl Global group could own the Intellectual Property it previously had only usage rights to under a licencing agreement.

i. Acquisition Consideration

The fair value of the acquisition consideration was \$3,375,000 being 112,500,000 shares issued by Pearl at the share price prevailing on the acquisition date of \$0.03.

ii. Goodwill

The identifiable net assets of the acquiree are re-measured to their fair value at the date of acquisition (ie. the date that control passes). Goodwill is calculated as the difference between the fair value of the consideration transferred less the fair value of the identified net assets of the acquiree. Details of the transaction are as follows:

	\$A
Fair value of consideration transferred	3,375,000
Less: Net assets acquired	
Cash	60,561
Receivables	964
Plant and Equipment (net)	23,916
Intellectual Property	600,000
Liabilities	<u>(10,000)</u>
Net Assets	<u>675,441</u>
Goodwill	<u>2,699,559</u>

iii. Acquisition related costs

Acquisition costs of \$1,062, representing legal fees in respect of the exercise of the option by Pearl Global Limited to acquire Keshi, are included in the consolidated statement of Profit or Loss and Other Comprehensive Income.

iv. Contingent Consideration

There is no contingent consideration

Pearl Global Limited

v. Revenue and Profit Contribution

Keshi contributed \$nil to the consolidated finance results of the Pearl group between the date of acquisition and 31 December 2021 and as a consequence there are no revenues or expenses that are assessable or deductible for tax purposes.

vi. Accounting

The accounting for the Business Combination has been determined on a provisional basis. The fair value of the assets acquired and liabilities assumed are initially estimated by the Group taking into consideration all available information at reporting date. As at 31 December 2021 the intangible assets recognized provisionally pending completion of a fair value assessment.

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Notes to the Financial Statements

For the Half Year Ended 31 December 2021

5 Operating Segments

31 December 2021	Tyre processing	Manufacturing	Unallocated	Total
Sales to external customers	543,100	315,802	-	858,902
Other income	100,000	-	15,737	115,737
Total revenue and other income	643,100	315,802	15,737	974,639
Depreciation and amortisation	126,332	472,917	222,762	822,011
Other expenses	1,276,521	2,477,139	2,230,460	5,984,120
Income tax (benefit) / expense	-	158,657	-	158,657
Segment operating loss	(759,753)	(2,792,911)	(2,437,485)	(5,990,149)
Segment assets	1,640,038	5,682,775	7,499,436	14,822,249
Segment liabilities	(273,882)	(2,757,601)	(2,585,440)	(5,616,923)
Net assets as at 31 December 2021	1,366,156	2,925,174	4,913,996	9,205,326

31 December 2020	Tyre processing	Manufacturing	Unallocated	Total
Sales to external customers	1,416,743	114,468	-	1,531,211
Other income	12,348	245,469	71,213	329,030
Total revenue and other income	1,429,091	359,937	71,213	1,860,241
Depreciation and amortisation	130,524	308,469	277,784	716,777
Other expenses	1,212,884	1,923,046	1,657,256	4,793,186
Income tax (benefit) / expense	-	(83,714)	-	(83,714)
Segment operating loss	85,683	(1,787,864)	(1,863,827)	(3,566,008)
Segment assets	2,172,227	3,972,611	8,361,317	14,506,155
Segment liabilities	138,509	2,677,811	2,681,178	5,497,498
Net assets as at 31 December 2020	2,033,718	1,294,800	5,680,139	9,008,657

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Notes to the Financial Statements

For the Half Year Ended 31 December 2021

6 Revenue and Other Income

The Group has recognised the following amounts relating to revenue in the statement of profit or loss.

Revenue earned at a point in time

\$ AUD	Note	31 Dec 2021	31 Dec 2020
Revenue for collection of end-of-life tyres		543,100	1,356,437
Sales of oil derived from tyres		204,894	113,961
Sales of carbon derived from tyres		1,280	507
Sales of steel derived from tyres		30,050	60,306
Sale of crumbed rubber		43,510	-
Other Operating Revenue		36,068	
Total operating revenue		858,902	1,531,211

Other income

\$ AUD	31 Dec 2021	31 Dec 2020
Sub-lease income	-	43,968
Government wage subsidies	-	12,349
Federal government JobKeeper & PAYG Cash Boost grants	100,000	272,500
Interest and other income	15,737	213
Total operating revenue	115,737	329,030

The group operates from a single location in Stapylton, Queensland, and all revenue is derived from these activities.

7 Loss per share

Earnings per share

Both the basic and diluted earnings per share have been calculated using the profit attributable to shareholders of the Parent Company (Pearl Global Limited) as the numerator (i.e. no adjustments to profit were necessary in 2019 or 2020).

The reconciliation of the weighted average number of shares for the purposes of diluted earnings per share to the weighted average number of ordinary shares used in the calculation of basic earnings per share is as follows:

\$ AUD	31 Dec 2021	31 Dec 2020
(a) Basic earnings per share:		
Loss from continuing operations attributable to owners of Pearl Global Limited used to calculate basic earnings per share	(5,990,149)	(3,566,008)
(b) Diluted earnings per share		
Loss from continuing operations attributable to owners of Pearl Global Limited used to calculate diluted earnings per share	(5,990,149)	(3,566,008)
Number of shares	31 Dec 2021	31 Dec 2020
Weighted average number of ordinary shares used as a denominator in calculating basic and diluted earnings per share	498,284,704	307,046,103
Loss per share attributable to owners of the Company:		
Diluted loss per share (cents per share)	(1.20)	(1.16)

Options being potential ordinary shares were considered to be antidilutive (decreasing the loss per share disclosed) and accordingly the diluted earnings per share for these periods do not assume conversion of the options on issue.

Pearl Global Limited

Notes to the Financial Statements

For the Half Year Ended 31 December 2021

8 Cash and Cash Equivalents

\$ AUD	31 Dec 2021	30 Jun 2021
Cash and cash equivalents:		
Cash at bank	2,075,159	2,955,383

Amounts held in the Company's cheque and online savings accounts attract variable rates commensurate with a business cheque and online savings account. The company has a debt facility with Global Credit Investments Pty Ltd and the facility agreement requires the company to maintain a minimum balance of \$1,000,000 of available cash until certain earnings hurdles are met.

9 Other Financial Assets

\$ AUD	31 Dec 2021	30 Jun 2021
Other Financial Assets:		
Term Deposits	317,093	397,427

The company holds term deposits in relation to both credit card facilities and also guarantees in respect of obligations under its rental agreements.

10 Trade and other receivables

Current

\$ AUD	31 Dec 2021	30 Jun 2021
Trade receivables	377,224	339,350
Provision for expected credit losses	(150,000)	(138,623)
GST receivable	73,062	196,181
R&D tax benefit receivable	602,990	602,990
Balance at end of the half-year	903,276	999,898

The carrying value of trade receivables is considered a reasonable approximation of fair value due to the short-term nature of the balances. The maximum exposure to credit risk at the reporting date is the fair value of each class of receivable in the financial statements.

11 Inventory

\$ AUD	31 Dec 2021	30 Jun 2021
At Cost	1,685,885	1,883,523
Provision for write down to net realisable value	(1,529,115)	(1,529,115)
Balance at end of the half-year	156,770	354,408

Inventory includes the company's stocks of recovered carbon black and tyre derived fuel oil. Inventory was written down to net realisable value reflecting the pricing discount necessary to gain entry into certain markets

12 Other Assets

\$ AUD	31 Dec 2021	30 Jun 2021
Other Current Assets:		
Prepayments and rental bonds	233,487	169,612

Pearl Global Limited

Notes to the Financial Statements

For the Half Year Ended 31 December 2021

13 Property, plant and equipment

\$ AUD	31 Dec 2021	30 Jun 2021
Plant and equipment		
Cost	8,896,438	7,489,292
Accumulated depreciation	(2,805,085)	(2,214,406)
Balance at the end of the half-year	6,091,353	5,274,886
Other equipment		
Cost	54,314	83,633
Accumulated depreciation	(43,448)	(71,972)
Balance at the end of the half-year	10,886	11,660
Total property, plant and equipment	6,102,219	5,286,546

Movements in Carrying Amounts

Movement in the carrying amounts for each class of property, plant and equipment between the beginning and the end of the current financial half year:

\$ AUD	Plant & equipment	Other equipment	Total
Gross carrying amount			
Balance at 1 July 2021	5,274,886	11,160	5,286,046
Additions	1,341,104	-	1,341,104
Depreciation	(524,637)	(294)	(524,931)
Balance at 31 December 2021	6,091,353	10,886	6,102,219

14 Right-of-use assets

\$ AUD	31 Dec 2021	30 Jun 2021
Cost		
Cost	2,973,746	2,973,746
Accumulated depreciation	(1,239,060)	(941,686)
Balance at the end of the period	1,734,686	2,032,060
Movements		
Balance at the beginning of the period	2,032,060	2,756,132
Disposals	-	(86,216)
Depreciation	(297,374)	(637,856)
Balance at the end of the period	1,734,686	2,032,060

15 Intangible Assets

\$ AUD	31 Dec 2021	30 Jun 2021
Goodwill		
Goodwill	2,699,559	-
Intellectual Property		
Intellectual Property	600,000	-
Balance at the end of the period	3,299,559	-

Goodwill represents the difference between the fair value of consideration transferred for the acquisition of Keshi Technologies Pty Ltd, and the fair value of the net assets acquired. Refer to note 4. Intellectual property is one of the assets acquired in the above noted transaction with Keshi and relates to the thermal desorption technology used by the company.

Pearl Global Limited

Notes to the Financial Statements

For the Half Year Ended 31 December 2021

15 Intangible Assets (cont.)

Movements		
Balance at the beginning of the period	-	-
Acquisitions	3,299,559	-
Depreciation	-	-
Balance at the end of the period	3,299,559	-

16 Trade and Other Payables

\$ AUD	31 Dec 2021	30 Jun 2021
Trade payables	635,167	1,194,821
GST/ PAYG payables	154,556	114,144
Other payables	415,617	47,979
Balance at the end of the period	1,205,340	1,356,944

Trade and other payables are unsecured, non-interest bearing and are normally settled within 30 days. The carrying value of trade and other payables is considered a reasonable approximation of fair value due to the short-term nature of the balances.

17 Provisions

\$ AUD	31 Dec 2021	30 Jun 2021
Employee Entitlements	316,979	246,574
Balance at the end of the period	316,979	246,574

18 Financial Liability

\$ AUD	31 Dec 2021	30 Jun 2021
Current		
Secured debt facility	437,500	437,500
Total current borrowings	437,500	437,500
Non-Current		
Secured debt facility	875,000	1,093,750
Total non-current borrowings	875,000	1,093,750

Financial liabilities represent the amount owing to Global Credit Investments Pty Ltd ("GCI") pursuant to the debt facility agreement between GCI and Pearl Global Limited. The total amount of debt available under the agreement is \$1,750,000 and this is fully drawn at balance date. The loan is fully amortising over a term of 5 years which ends in December 2024. Principal and interest is payable monthly at a rate of 10% p.a. The loan is secured by certain assets of the Pearl Global Limited group.

19 Lease Liabilities

\$ AUD	31 Dec 2021	30 Jun 2021
Current		
Lease liabilities - current	576,576	552,858
Balance at the end of the period	576,576	552,858
Non-Current		
Lease liabilities – non-current	1,375,037	1,667,734
Balance at the end of the period	1,375,037	1,667,734

Pearl Global Limited

Notes to the Financial Statements

For the Half Year Ended 31 December 2021

20 Issued Capital

Share capital

The share capital of Pearl Global Limited consists only of fully paid ordinary shares; the shares do not have a par value. All shares are equally eligible to receive dividends and the repayment of capital and represent one vote at the shareholders' meeting of Pearl Global Limited.

Ordinary Shares as at 31 December 2021

Consolidated	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	No. shares	No. shares	\$	\$
Beginning of the financial year 1 July	371,999,198	251,192,350	32,813,517	23,276,183
Shares issued via private placement	167,685,739	119,092,562	5,869,001	9,631,334
Shares issued as consideration for ATP acquisition	-	1,714,286	-	156,000
less: issue costs	-	-	(231,489)	(250,000)
Shares issued as consideration for acquisition of Keshi	112,500,000	-	3,375,000	-
End of the reporting period	652,184,937	371,999,198	41,826,029	32,813,517

Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Company in proportion to the number of shares held. On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Options Reserve as at 31 December 2021

Consolidated	31 Dec 2021	30 Jun 2021	31 Dec 2021	30 Jun 2021
	No. options	No. options	\$	\$
Beginning of the financial year 1 July	4,974,000	47,319,238	234,978	4,628,022
Options issued as consideration for services	750,000	2,974,000	443	56,805
Options issued via Share Purchase Plan	4,000,000	-	14,380	31,929
less: expired options	-	(45,319,238)	-	(4,481,778)
End of reporting period	9,724,000	4,974,000	249,801	234,978

21 Contingencies

In the opinion of the Directors, the Company did not have any contingencies at 31 December 2021 (31 December 2020: None).

22 Events Occurring After the Reporting Date

On 17 December 2021 the company announced an entitlement offer to raise up to \$5,000,000 (before costs). On 13 January 2022, the company closed the entitlement component of the offer, and on 18 January 2022 issued 50,933,839 shares at a price of \$0.02, raising \$1,018,677.

The company anticipates completion of the placement of the shortfall of the offer during March 2022.

No other matters or circumstances have arisen since the end of the financial half year which significantly affected or could significantly affect the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial periods

Pearl Global Limited

Director's Declaration

For the Half Year Ended 31 December 2021

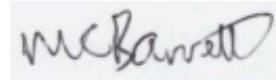
The directors of the Company declare that:

1. The consolidated interim financial statements and notes, as set out on pages 7 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (a) complying with Accounting Standard AASB 134: Interim Financial Reporting and the *Corporations Regulations 2001*; and
 - (b) give a true and fair view of the consolidated group's financial position as at 31 December 2021 and of its performance for the half-year ended on that date.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors pursuant to section 303(5)(a) of the *Corporations Act 2001*.



Director



Director

Dated, 28 February 2022

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Independent Auditor's Review Report

To the Members of Pearl Global Limited

Report on the review of the half-year financial report

Conclusion

We have reviewed the accompanying half-year financial report of Pearl Global Limited (the Company) and its subsidiaries (the Group), which comprises the interim consolidated statement of financial position as at 31 December 2021, and the interim consolidated statement of profit or loss and other comprehensive income, interim consolidated statement of changes in equity and interim consolidated statement of cash flows for the half year ended on that date, a description of accounting policies, other selected explanatory notes, and the directors' declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the accompanying half-year financial report of Pearl Global Limited does not comply with the *Corporations Act 2001* including:

- (a) giving a true and fair view of the Pearl Global Limited's financial position as at 31 December 2021 and of its performance for the half year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the Auditor's Responsibilities for the Review of the Financial Report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

Material uncertainty related to going concern

We draw attention to Note 3 in the financial report, which indicates that the Group incurred a net loss of \$5,990,149 during the half year ended 31 December 2021 and, as of that date, had cash outflows from operations of \$4,578,948. As stated in Note 3, these events or conditions, along with other matters as set forth in Note 3, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

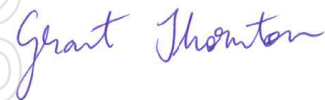
Directors' responsibility for the half-year financial report

The Directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the Directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 31 December 2021 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Grant Thornton Audit Pty Ltd
Chartered Accountants



CDJ Smith
Partner – Audit & Assurance

Brisbane, 28 February 2022