

1. Company details

Name of entity:	Pearl Global Limited
ABN:	90 118 710 508
Reporting period:	For the year ended 30 June 2022
Previous period:	For the year ended 30 June 2021

2. Results for Announcement to Market

\$'000 AUD		2022	2021
Revenues from ordinary activities	up 32.5%	2,865	2,161
Loss from ordinary activities	up 22.8%	9,182	7,476
Loss before interest, tax, depreciation and amortisation (EBITDA)	up 7.7%	6,284	5,834
Loss for the year attributable to the owners of Pearl Global Limited	up 30.0%	10,069	7,745

3. Net tangible assets

Cents		2022	2021
Net tangible assets per ordinary security		1.21	1.18

4. 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.

5. Dividend reinvestment plans

Not applicable.

6. Status of audit

This Appendix 4E is based on a Financial Report that is in the process of being audited.

7. Audit dispute or qualification

Not applicable.

8. Commentary on results

Pearl Global Limited (Pearl Global) is an Australian Company applying unique, next generation technology to cleanly convert waste tyres into valuable products. Pearl Global's patented thermal desorption technology represents a significant advancement on other tyre recycling processes by converting end of life tyres into valuable products such as fuel, carbon & steel. Our technology provides a complete environmental and circular solution to the global waste tyre problem beyond anything offered by other tyre recycling processes.

During the year ending June 30 2022 (FY22), Pearl Global made significant progress towards its goals of commercialisation including key management and board appointments, the installation of key processing equipment and the development of the asphalt market for our Tyre Derived Fuel Oil (TDFO) and recovered Carbon Black (rCB) products.

Since inception Pearl Global has processed more than two million tyres or 20,000 tonnes, reaching this milestone during the year. We have also sold in total more than two million litres of TDFO and 500 tonnes of rCB to the asphalt industry for use in the production of asphalt.

In 2022 Pearl Global's operating revenue was \$2.9m which reflected a 32.5% year-on-year increase. On a normalised basis, after removing the impact of a non-recurring revenue event in H1 2021, annual revenue has increased by 88%. This is primarily due to an increase in tyre collection volumes (+\$0.9m) along with increased tyre derived fuel revenues (+\$0.3m) and higher revenues from rubber crumb (+\$0.2m).

The higher tyre collection volumes reflect Pearl Global's investment in its own collection fleet along with improved sales and route planning capability, which has significantly increased its overall collection capacity and effectiveness. As a result, our collections customer base has grown over the year from 320 to 540 (+69%) with an increase in our close proximity customers from 55% to 70%.

Increased sales of TDFO demonstrates its growing acceptance within the asphalt industry as a genuine alternative to diesel with commercial, performance and environmental benefits.

Recovered carbon black (rCB) volumes are continuing to build and the recent release of an independent report by the Australian Road Research Board (ARRB), a national transport research organisation, confirms the suitability rCB in asphalt along with a number of performance enhancing benefits, including significant safety benefits.

A report by RPS Group quantifies the environmental benefits from utilising Pearl Global's products in asphalt. These triple bottom line benefits are anticipated to increase its overall acceptance within the industry over the next 12 months which aligns with our commercialisation of the Stapylton facility.

Pearl Global will look to partner with asphalt customers who utilise both its TDFO and rCB products and have an existing national footprint to enable the potential for future growth into other states.

Pearl Global's reported loss from ordinary activities for the 2022 financial year was \$9.2m. This included a number of significant non-recurring items including R&D incentive rebates and other government grants, direct costs relating to the preparation and lodgement of the R&D incentive rebates, waste disposal and site preparation related costs (\$1.8m) as well as an impairment charge recognised on non-current assets classified as held for sale (\$0.3m). The R&D incentives totalling \$6.5m were recognised in other income and comprised a change in estimate in relation to FY21's rebate of \$2.4m (\$2m net) as well as recognising an estimate on the same basis for FY22 of \$4.1m (\$3.7m net).

After removing the impact of the non-recurring items above, underlying EBITDA loss was \$10.3m (2021: \$7.4m loss). The primary driver for the year-on-year difference was due to increases in repairs and maintenance, wages and bulk shredding costs included in operating expenditure. The increase in costs is consistent with a company holding unique intellectual property and moving from research and development into commercialisation.

Capital expenditure of \$2.9m was incurred by Pearl Global during the 2022 financial year to build both its processing capability and capacity as we move towards commercialisation. Key investments included the purchase of two new vehicles for our collections fleet, the purchase of a rasper to remove 98% of steel from shred in order to improve throughput and plant availability, the installation and commissioning of a fourth Thermal Desorption Unit (TDU), and the establishment of a centralised control room with two TDU's fully connected as at 30 June 2022.

Pearl Global encountered a number of operational challenges during the period which adversely affected processing volumes, in particular the acquisition and retention of operator resources in an extremely competitive labour market as well as unpredictable absenteeism as a result of COVID and the flu. The unseasonal heavy rainfall impacted collection and yard operations while global supply chain constraints delayed the installation of infrastructure.

During the year Pearl Global acquired all the shares of Keshi Technologies Pty Ltd (Keshi) for the purchase consideration of \$3.4m being the issue of 112,500,000 shares at the share price prevailing on the acquisition date of \$0.03. Keshi was acquired so that Pearl Global would own the Intellectual Property it previously had only usage rights to under a licencing agreement.

The acquisition of the intellectual property will allow Pearl Global to control the national, and eventually international, rollout of the thermal desorption technology.

Pearl Global undertook a number of capital raising efforts during the period raising \$13.9m (before costs) through the issue of 568 million ordinary shares from a variety of placements, shareholder participation plan and rights issues.

The 2021 R&D incentive has been received post 30 June with the preparation of our 2022 rebate nearing completion. The net funds related to 2022 are anticipated later this calendar year.

Commercialisation of the Stapylton site is expected to be achieved during FY23 with the completion of the plant infrastructure program and the further development of the asphalt market for the sale of TDFO and rCB. The next phase of our business will align with a rebranding and trading name change of the organisation to Entyr as we prepare to explore opportunities for growth in the medium term.

Pearl Global has been well supported by the capital markets in its endeavours and is looking to work closely with government to get their support to have a material impact on both Australia and the worlds waste tyre market, delivering triple bottom line benefits to the community, its customers and its shareholders.

Pearl Global Limited

Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2022

\$'000 AUD	Note	2022	2021
Revenue	3	2,865	2,161
Other income	4	7,052	957
Operating Expenses	5	(10,183)	(4,776)
Employee Benefits Expense		(2,731)	(2,225)
Depreciation		(2,191)	(1,388)
Amortisation		(111)	-
Impairment Expense		(319)	-
Finance costs	6	(277)	(257)
Other expenses	5	(3,287)	(1,948)
Operating loss		(9,182)	(7,476)
Income tax expense		(887)	(269)
Total comprehensive loss		(10,069)	(7,745)
Earnings per share			
Basic & diluted loss per share (cents per share)	7	(1.49)	(2.31)

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

Pearl Global Limited

Consolidated Statement of Financial Position

As at 30 June 2022

\$ '000 AUD	Note	2022	2021
ASSETS			
Current Assets			
Cash and cash equivalents		1,620	2,955
Other Financial Assets		317	397
Trade and other receivables		7,911	1,000
Inventory		40	355
Other current assets		250	170
		10,138	4,877
Non-current assets classified as held for sale		700	-
Total current assets		10,838	4,877
Non-Current Assets			
Property, plant & equipment	8	6,038	5,287
Intangible assets		3,254	-
Right-to-use asset	9	2,035	2,031
Deferred tax		885	-
Total non-current assets		12,212	7,318
Total assets		23,050	12,195
LIABILITIES			
Current Liabilities			
Trade and other payables		2,996	1,357
Provisions		1,089	247
Financial Liability		1,060	437
Lease liability		1,066	553
Total current liabilities		6,211	2,594
Non-Current Liabilities			
Financial Liability		365	1,093
Lease liability		1,195	1,668
Deferred tax		2,443	672
Total non-current liabilities		4,003	3,433
Total liabilities		10,214	6,027
Net assets		12,836	6,168
EQUITY			
Equity attributable to the holders of the parent			
Issued Capital	10	49,495	32,813
Options reserve	10	20	235
Accumulated losses		(36,679)	(26,880)
Total equity		12,836	6,168

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

Pearl Global Limited

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2022

\$'000 AUD	Note	2022	2021
Cash flows from operating activities			
Receipts from customers		2,994	2,454
Payments to suppliers and employees		(13,673)	(10,177)
Receipt of government grants and incentives		106	293
Interest received		-	2
Interest paid		(277)	(203)
Income Taxes Paid		-	(51)
Tax Refund from Research & Development		-	740
Net cash outflow used in operating activities		(10,850)	(6,942)
Cash flows from investing activities			
Purchase of property, plant & equipment		(2,867)	(2,274)
Proceeds from disposal of property, plant & equipment		11	-
Deposits and bonds		80	(7)
Payments for financial assets		-	(71)
Cash obtained through acquisitions		61	-
Net cash outflow used in investing activities		(2,715)	(2,352)
Cash flows from financing activities			
Proceeds from issue of shares		13,886	9,631
Share / options issue costs		(579)	(250)
Repayment of lease liabilities		(970)	(551)
Proceeds from borrowings		1,435	1,750
Repayment of borrowings		(1,542)	(218)
Net cash inflows from financing activities		12,230	10,362
Net (decrease)/increase in cash and cash equivalents		(1,335)	1,068
Cash and cash equivalents at the beginning of the financial year		2,955	1,887
Cash and cash equivalents at the end of the financial year		1,620	2,955

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

Pearl Global Limited

Consolidated Statement of Changes in Equity

For the year ended 30 June 2022

Consolidated Equity 30 June 2022 \$'000 AUD	Issued capital	Option reserve	Accumulated losses	Total equity
Balance as at 1 July 2021	32,813	235	(26,880)	6,168
Loss for the year	-	-	(10,069)	(10,069)
Total comprehensive loss for the year	-	-	(10,069)	(10,069)
Shares issued during the period	13,886	-	-	13,886
Share issue costs	(579)	-	-	(579)
Share based payment expenses	3,375	55	-	3,430
Expiry of options	-	(270)	270	-
Balance as at 30 June 2022	49,495	20	(36,679)	12,836

Consolidated Equity 30 June 2021 \$'000 AUD	Issued capital	Option reserve	Accumulated losses	Total equity
Balance as at 1 July 2020	23,276	4,628	(23,617)	4,287
Loss for the year	-	-	(7,745)	(7,745)
Total comprehensive loss for the year	-	-	(7,745)	(7,745)
Shares issued during the period	9,787	-	-	9,787
Share issue costs	(250)	-	-	(250)
Share based payment expenses	-	89	-	89
Expiry of options	-	(4,482)	4,482	-
Balance as at 30 June 2021	32,813	235	(26,680)	6,168

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

Pearl Global Limited

Notes to the Financial Statements

1. Summary of Significant Accounting Policies

To assist in the understanding of the financial statements, the following summary explains the material accounting policies that have been adopted in the preparation of the financial statements.

(a) Basis of Preparation

The preliminary financial report has been prepared in accordance with ASX Listing Rule 4.3A, the disclosure requirements of ASX Appendix 4E, Australian Accounting Standards and the *Corporations Act 2001*.

The preliminary financial report complies with Australian Accounting Standards and Interpretations of the Australian Accounting Standards Board and is in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The preliminary financial report does not include all the notes of the type normally included in an annual financial report and should be read in conjunction with the annual financial report for Pearl Global Limited for the financial year ended 30 June 2021, the 31 December 2021 half-year report and any public announcements made by Pearl Global Limited and its controlled entities during the year ended 30 June 2021 in accordance with the continuous disclosure requirements of the ASX Listing Rules.

The preliminary financial report was authorised for issue by the Directors on 24 August 2022.

(b) Principles of Consolidation

The consolidated financial statements incorporate the assets, liabilities and results of the entities controlled by Pearl Global Limited at the end of the reporting period. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- powers over the investee that give it the ability to direct the relevant activities of the investee,
- exposure, or rights, to variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

Where the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has the power over an investee, including:

- the contractual arrangement with the other vote holders of the investee,
- rights arising from other contractual arrangements, and
- the group's voting rights and potential voting rights.

The assets, liabilities and results of all subsidiaries are fully consolidated into the financial statements of the group from the date on which control is obtained by the group. Where controlled entities have entered or left the group during the year, the financial performance of those entities is included only for the period of the year that they were controlled. Accounting policies of subsidiaries have been changed and adjustments made where necessary to ensure uniformity of the accounting policies adopted by the group.

Pearl Global Limited

2. Operating segments

(a) Identification of reportable segments

The Group identifies its operating segments based on the reports reviewed by the board of directors that are used to make strategic decisions.

(b) Segment Performance

\$'000 AUD

Consolidated 2022	Tyre processing	Manufacturing	Corporate	Total
Sales to external customers	2,228	637	-	2,865
Other revenue and income	116	394	6,542	7,052
Total revenue and other income	2,344	1,031	6,542	9,917
Overheads	(3,939)	(6,865)	(5,397)	(16,201)
EBITDA	(1,595)	(5,834)	1,145	(6,284)
Depreciation, amortisation and impairment	(818)	(1,688)	(115)	(2,621)
Finance costs	(20)	(115)	(142)	(277)
Loss before income tax expense	(2,433)	(7,637)	888	(9,182)
Income tax benefit / (expense)	-	-	(887)	(887)
Loss after income tax expense	(2,433)	(7,637)	1	(10,069)
Segment assets	2,181	7,784	13,085	23,050
Segment liabilities	1,263	4,089	4,862	10,214
Net assets as at 30 June 2022	918	3,695	8,223	12,836

\$'000 AUD

Consolidated 2021	Tyre processing	Manufacturing	Corporate	Total
Sales to external customers	1,912	249	-	2,161
Other revenue and income	21	249	685	955
Total revenue and other income	1,933	498	685	3,116
Overheads	(2,506)	(2,967)	(3,476)	(8,949)
EBITDA	(573)	(2,469)	(2,791)	(5,833)
Depreciation and amortisation	(252)	(634)	(502)	(1,388)
Interest Revenue	-	-	2	2
Finance costs	(2)	(155)	(100)	(257)
Loss before income tax expense	(827)	(3,258)	(3,391)	(7,476)
Income tax benefit / (expense)	(50)	-	(219)	(269)
Loss after income tax expense	(877)	(3,258)	(3,610)	(7,745)
Segment assets	1,683	5,151	5,361	12,195
Segment liabilities	339	2,940	2,748	6,027
Net assets as at 30 June 2021	1,344	2,211	2,613	6,168

Pearl Global Limited

3. REVENUE

\$'000 AUD	2022	2021
Fees for collection of end-of-life tyres	2,082	1,812
Sales from oil derived from tyres	516	237
Sales from carbon derived from tyres	11	9
Sales from steel derived from tyres	76	98
Other operating revenue	180	5
Total operating revenue	2,865	2,161

4. OTHER INCOME

\$'000 AUD	2022	2021
Sub-lease income	-	39
Federal government R&D grant	4,050	603
Federal government R&D grant – change in estimate	2,492	-
Other grants and subsidies	105	293
Interest income	-	2
Gain on disposal of non-current asset	11	-
Fuel tax credits	394	-
Other operating revenue	-	20
Total operating revenue	7,052	957

5. EXPENSES

Loss includes the following specific expenses:

\$'000 AUD	2022	2021
Operating expenses:		
Wages	2,604	1,766
Hire of plant & equipment	1,620	1,036
Maintenance	1,816	1,075
Fuel & power	1,016	750
Closing Inventory adjustment	315	(355)
Site preparation and waste removal costs	2,242	-
Other operating expenses	570	504
Total operating expenses	10,183	4,776
Other expenses:		
Occupancy	245	125
Travel expenses	71	147
Insurance	260	146
Company secretarial	36	36
Accounting and audit	137	106
Regulatory expenses	235	113
Professional and consultancy fees	1,581	754
Other expenses	722	521
Total other expenses	3,287	1,948

Pearl Global Limited

6. FINANCE COSTS

\$'000 AUD	2022	2021
Finance costs for the period consists of the following:		
Interest expense for borrowings	277	257
Total finance costs	277	257

7. LOSS PER SHARE

\$'000 AUD	2022	2021
(a) Basic earnings per share:		
Loss from continuing operations attributable to owners of Pearl Global Limited used to calculate basic earnings per share	(10,069)	(7,745)
(b) Diluted earnings per share		
Loss from continuing operations attributable to owners of Pearl Global Limited used to calculate diluted earnings per share	(10,069)	(7,745)
Number of shares		
Weighted average number of ordinary shares used as a denominator in calculating basic and diluted earnings per share	675,717,388	335,422,032
Loss per share attributable to owners of the Company:		
Basic and diluted loss per share (cents per share)	(1.49)	(2.31)

Options being potential shares are not considered dilutive and have not been used to calculate diluted loss per share.

8. PROPERTY, PLANT AND EQUIPMENT

\$'000 AUD	2022	2021
Cost	8,891	7,573
Accumulated depreciation	(2,853)	(2,286)
Balance at the end of the year	6,038	5,287
Movements		
Balance at the beginning of the year	5,287	3,492
Additions	2,867	2,545
Depreciation	(1,097)	(750)
Impairment	(319)	-
Transfer to non-current assets classified as held for sale	(700)	-
Balance at the end of the year	6,038	5,287

Pearl Global Limited

9. RIGHT-TO-USE ASSET

\$'000 AUD	2022	2021
Cost	3,951	2,974
Accumulated depreciation	(1,916)	(943)
Balance at the end of the year	2,035	2,031
Movements		
Balance at the beginning of the year	2,032	2,756
Recognised during the period	1,198	-
Depreciation	(1,094)	(638)
Derecognised during the period	(101)	-
Written-off	-	(87)
Balance at the end of the year	2,035	2,031

10. ISSUED CAPITAL

(a) Ordinary Shares as at 30 June 2022

Consolidated	2022	2021	2022	2021
	No. shares	No. shares	\$'000	\$'000
Beginning of the financial year	371,999,198	251,192,350	32,813	23,276
Shares issued as consideration for acquisitions	112,500,000	1,714,286	3,375	156
Shares issued via private placement	300,000,050	119,092,562	8,250	9,631
Shares issued via purchase plan	17,685,689	-	619	-
Shares issued via rights issue	250,841,492	-	5,017	-
less: issue costs	-	-	(579)	(250)
End of financial year	1,053,026,429	371,999,198	49,495	32,813

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.

(b) Options Reserve as at 30 June 2022

Consolidated	2022	2021	2022	2021
	No. options	No. options	\$'000	\$'000
Beginning of the financial year	4,974,000	47,319,238	235	4,628
Options issued as consideration for services	24,750,000	2,974,000	55	89
less: expired options	(2,000,000)	(45,319,238)	(270)	(4,482)
End of financial year	27,724,000	4,974,000	20	235

Pearl Global Limited

11. ACQUISITIONS

On 3 December 2021, Pearl Global Limited ("Pearl") acquired all the shares of Keshi Technologies Pty Ltd ("Keshi"). 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.

The acquisition of the intellectual property will allow Pearl control the national, and eventually international, rollout of the thermal desorption technology at a lower cost.

The purchase 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.

As Keshi does not meet the criteria of a business as defined per *AASB 3 Business Combinations*, the transaction has been treated as the acquisition of Keshi's net assets. As such, the Goodwill provisionally recognised at 31 December 2021 has been allocated to the value of the intellectual property acquired at cost.

This change is reflected as follows:

\$'000 AUD	Provisional at 31 December 2021	Movements due to change in judgement	Final at 30 June 2022
Cash and cash equivalents	61	-	61
Receivables	1	(1)	-
Plant and equipment (net)	24	(24)	-
Intellectual property	600	2,765	3,365
Liabilities	(10)	(41)	(51)
Net assets	676	2,699	3,375
Goodwill	2,699	(2,699)	-
Acquisition-date fair value of the total consideration transferred	3,375	-	3,375

The fair value of the assets acquired and liabilities assumed at 31 December 2021 were provisional and estimated by the Group taking into consideration all available information at that time. The values identified in relation to the acquisition of Keshi are final as at 30 June 2022.

12. EVENTS SUBSEQUENT TO BALANCE SHEET DATE

Pearl Global received an amount of \$3.1m (net \$2.7m) for its 2021 R&D incentive after the 30 June. These funds were used to immediately repay the short-term funding of \$1m on the balance sheet which was borrowed against the R&D rebate.