

## Appendix 4C and Quarterly activities update

### Highlights during the period

- Continued successful operations ramp-up of a 76% rise in waste tyres processed from 355 tonnes to 625 tonnes and increase in receipts from customers of 81.5% from \$38,000 to \$69,000
- Closing of Share Purchase Plan and equity investment from Roc Asset Management resulting in a cash balance of \$5.37 million at 30 June 2019, providing liquidity for investment in growth of the business
- Ninth successful independent report of environmental operating licenses received, demonstrating better performance than compliance requirements
- Queensland Government awarded Australian Tyre Processors (ATP) \$800,000 grant for used tyre solution (ATP being acquired by Pearl)
- Board strengthened with appointment of Mr. Brad Mytton from Roc Partners

Pearl Global Limited (**Pearl or the Company**) (ASX:PG1) provides the following quarterly review of activities to shareholders.

### Quarterly production volume growth and increase in receipts from customers

Production gains of 76% were achieved this quarter, with Pearl processing 625 tonnes of waste tyre rubber or the equivalent of ~80,000 passenger tyres (Chart 1). Further operational efficiencies were created as part of the ongoing attention to growth. During the period receipts from customers increased 81.5% from \$38,000 to \$69,000.

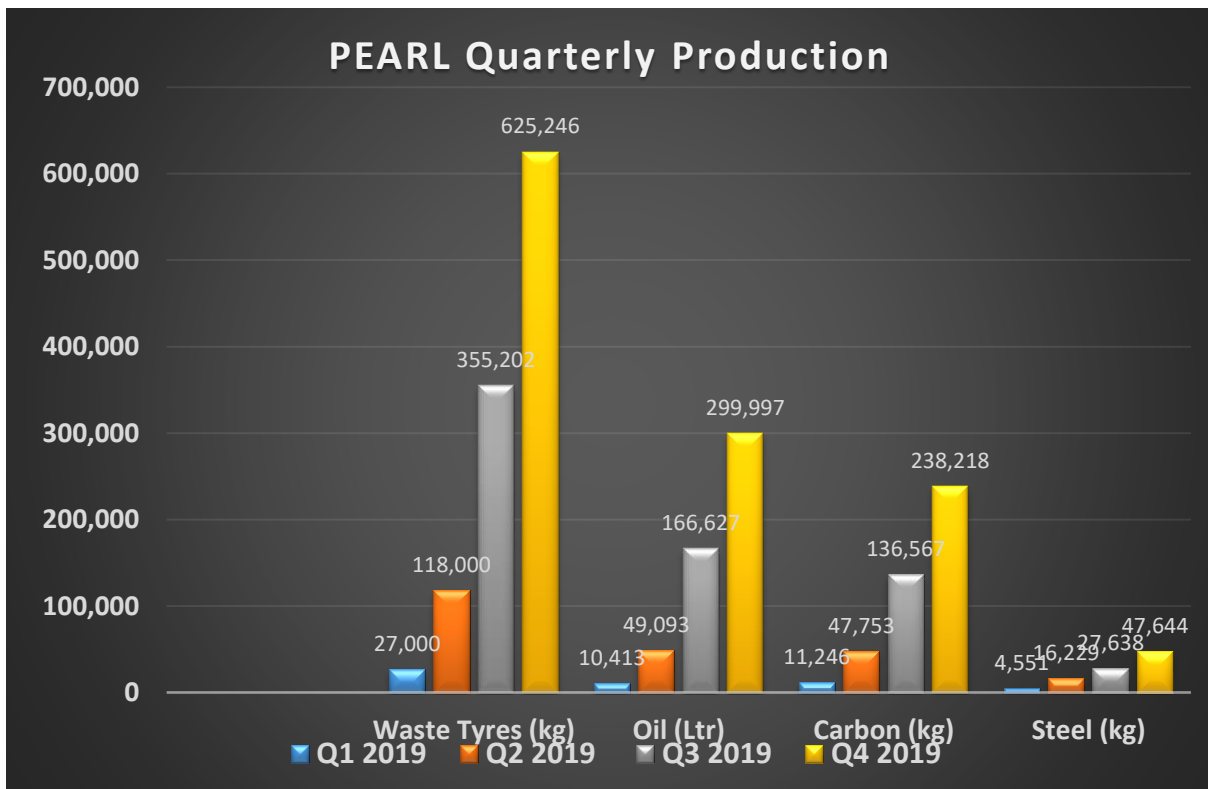


Chart 1: Source Company

### **Environmental operating license: independent review demonstrates superior performance over requirements**

On the 19<sup>th</sup> June 2019, Pearl received its independent emissions monitoring report which was submitted to the Queensland Department of Environment and Services. The report demonstrated again that Pearl continues to operate below the set limits of its licensed emissions criteria.

### **Strong cash position for business development and growth: SPP and ROC investment completed**

During the period, the Company was successful in strengthening its cash position for its business development and growth. Pearl closed its SPP and completed the technical, financial and operational due diligence by Roc Asset Management Pty Ltd (ROC). The successful completion of the due diligence process allowed ROC, with the approval of shareholders, to proceed with its \$5 million investment in Pearl. Pearl also secured a call option over Keshi Technologies Pty Ltd (Intellectual Property holder) which allows for Pearl to acquire 100% of the shares in Keshi by 12 June 2021.

### **Australian Tyre Processors Pty Ltd (ATP) receives grant for \$800,000**

On the 21<sup>st</sup> June 2019, Pearl announced that its soon to be acquired subsidiary ATP, received the first Queensland Government grant from its Resource Recovery Infrastructure Development Program (RRIDP) for \$800,000. Pearl was due to settle on ATP in July. However, due to a clause in the grant agreement, ATP was required to submit a "change of ownership" application to the RRIDP to ensure that the grant will remain in place following settlement of the ATP purchase by Pearl. Completion of the transaction will occur immediately upon confirmation from the RRIDP of its acceptance of the change of ownership.

### **New Board Appointment**

During the period, Pearl welcomed Mr. Brad Mytton of Roc Partners to its Board of Directors. Brad's experience in clean energy technology, governance and corporate finance will assist the Board for its future planning and growth.

Pearl shall continue to keep shareholders updated.

The Appendix 4C for the quarter ended 30 June 2019 follows.

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

**Investors** – Gary Foster [gf@pearlglobal.com.au](mailto:gf@pearlglobal.com.au)

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

### **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 environmental approvals for the thermal treatment of rubber, and is in the process of commissioning its first commercial scale production plant 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.*

## Appendix 4C

## Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

## Name of entity

PEARL GLOBAL LIMITED (ASX: PG1)

## ABN

90 118 710 508

## Quarter ended ("current quarter")

30 June 2019

## Consolidated statement of cash flows

Current quarter  
\$A'000Year to date  
(12 months)  
\$A'000**1. Cash flows from operating activities**

1.1	Receipts from customers	69	126
1.2	Payments for		
	(a) research and development	(100)	(352)
	(b) product manufacturing and operating costs	(385)	(1,311)
	(c) advertising and marketing	-	-
	(d) leased assets	(105)	(426)
	(e) staff costs/directors salary	(446)	(1,212)
	(f) administration and corporate costs	(359)	(1,160)
1.3	Dividends received (see note 3)	-	-
1.4	Interest received	3	7
1.5	Interest and other costs of finance paid	-	-
1.6	Income taxes paid	-	-
1.7	Government grants and tax incentives	-	722
1.8	Other (provide details if material)	-	-
<b>1.9</b>	<b>Net cash from / (used in) operating activities</b>	<b>(1,324)</b>	<b>(3,607)</b>

**2. Cash flows from investing activities**

2.1	Payments for acquisition of:		
	(a) property, plant and equipment	(57)	(867)
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (12 months) \$A'000</b>
2.2	Proceeds from disposal of:		
	(a) property, plant and equipment	-	-
	(b) businesses (see item 10)	-	-
	(c) investments	-	-
	(d) intellectual property	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(57)</b>	<b>(867)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
3.1	Proceeds from issues of shares	5,606	7,136
3.2	Proceeds from issue of convertible notes	-	-
3.3	Proceeds from exercise of share options	-	-
3.4	Transaction costs related to issues of shares, convertible notes or options	-	-
3.5	Proceeds from borrowings	-	100
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	12	(26)
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>5,618</b>	<b>7,210</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	1,144	2,633
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(1,324)	(3,607)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(57)	(867)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	5,606	7,210
4.5	Effect of movement in exchange rates on cash held	-	-
<b>4.6</b>	<b>Cash and cash equivalents at end of quarter</b>	<b>5,369</b>	<b>5,369</b>

5. <b>Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1 Bank balances	5,369	1,144
5.2 Call deposits	-	-
5.3 Bank overdrafts	-	-
5.4 Other (provide details)	-	-
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>5,369</b>	<b>1,144</b>

6. <b>Payments to directors of the entity and their associates</b>	Current quarter \$A'000
6.1 Aggregate amount of payments to these parties included in item 1.2	333
6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2	
Directors salaries and fees, professional fees and superannuation.	

7. <b>Payments to related entities of the entity and their associates</b>	Current quarter \$A'000
7.1 Aggregate amount of payments to these parties included in item 1.2	-
7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3	-
7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2	

8. <b>Financing facilities available</b> <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	-	-
8.2 Credit standby arrangements	-	-
8.3 Other (please specify)	-	-
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		

<b>9. Estimated cash outflows for next quarter</b>		<b>\$A'000</b>
9.1	Research and development	40
9.2	Product manufacturing and operating costs	400
9.3	Advertising and marketing	-
9.4	Leased assets	125
9.5	Staff costs	390
9.6	Administration and corporate costs	290
9.7	Other (provide details if material)	1,330
<b>9.8</b>	<b>Total estimated cash outflows</b>	<b>2,575</b>

Item 9.7 Other comprises the following:

- Part-consideration on completion of acquisition of ATP .....300
- Part-payment on commencement of manufacture of TDU#3 .....770
- Payments for ancillary equipment and infrastructure.....260

<b>10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>		<b>Acquisitions</b>	<b>Disposals</b>
10.1	Name of entity	N/A	N/A
10.2	Place of incorporation or registration		
10.3	Consideration for acquisition or disposal		
10.4	Total net assets		
10.5	Nature of business		

### Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:



(DIRECTOR)

Date: 31 July 2019

Print name: Gary Foster

### Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.