

ASX ANNOUNCEMENT 31 AUGUST 2021

FY21 FINANCIAL RESULTS AND APPENDIX 4E

Environmental technology and infrastructure company Pearl Global Limited (**ASX: PG1, Pearl or the Company**) is pleased to provide the Company's financial results and key achievements for the year ending 30 June 2021 ("FY21").

During FY21, the Company continued to focus on the ramp up and commercialisation of its proprietary technology for the clean conversion of waste tyres into regenerative resources. The facility and technology offered by Pearl presents a unique offering to the market in its mobility and functionality to process waste tyres.

Pearl's thermal desorption process cleanly converts waste tyres into four product streams: fuel oil, recovered carbon black (rCB), steel, and clean gases. Each of these product streams can be sold or further used in place of virgin resources. Pearl's process is a primary example of the development of the "circular, sustainable, economy".

Financial Highlights

Sales revenue for the year increased 12.5% to \$2.16 million, largely due to increased sales of Pearl's cleanly converted fuels and carbon products, combined with fees received for the collection of tyres.

Although the Company continued to operate throughout the pandemic, the ramp-up of processing volumes was limited by COVID-19 related delays to receipt of equipment and parts from overseas jurisdictions. As a result, the Company recorded an operating EBITDA loss of \$5.8 million, and after recording a non-cash impairment of intangible assets, a consolidated after tax loss of \$7.75 million for the year.

Capital expenditure of \$2.5 million was spent in improvements to equipment and onsite materials handling. This will enable expansion of volumes and Pearl's ability to service customers more safely and smoothly.

Subsequent to the period end, Pearl successfully completed a \$5.25 million capital raising. The funds raised will provide working capital to empower expansion and will help Pearl continue to develop and demonstrate its unique technology.

Operational Highlights

Over the last two years, the Company has processed the equivalent of 880,000 vehicle tyres which would otherwise have ended in landfills or exported as a coal substitute. Pearl remains dedicated to helping its partners and customers to reduce their carbon footprint and meet ESG objectives through a strategic focus on environmentally friendly and energy efficient technology solutions.

During FY21, the Company cleanly converted 3,363 tonnes (2020: 3,674 tonnes) of waste tyres into new products for sale. The decrease in processing volumes was primarily due to reduced machine availability as the Company implemented mechanical changes to improve performance of the thermal desorption processing units (TDUs).

During FY21, Pearl was able to develop sales of its key products, fuel and recovered carbon black, into the Australian asphalt industry. Liquid fuels produced from Pearl's operations were 1,224 tonnes (2020: 1,543 tonnes), carbon char was 1,446 tonnes (2020: 1,322 tonnes) and steel was 252 tonnes (2020: 367 tonnes).

By working closely with several major players, Pearl has been able to demonstrate significant benefits in asphalt production, with producers making use of Pearl's fuel for energy and Pearl's recovered carbon black as an additive to improve the quality of the asphalt produced.

As a result, Pearl was successful in signing a number of offtake agreements for sales of its products

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into the asphalt industry. Pearl has identified a significant market opportunity with the broader Australian asphalt industry as a key partner in the use of Pearl's products.

Pearl has continued to increase its promotion of its technology to the waste industry sector within Queensland. As such, Pearl won a series of tenders for tyre collection from councils including Gold Coast City Council, Maranoa, Fraser Coast, Scenic Rim, Rockhampton and Central Highlands Regional Councils. A growing pipeline of councils are increasingly attracted to Pearl's ability to recycle within the state and provide the reclaimed products to local industry.

Driven by demand from existing customers and the broader industry sector, during the year the Company identified an opportunity to expand its product streams by producing crumb rubber from waste tyres. Crumb rubber is typically used in bitumen manufacturing, which is closely linked with the asphalt industry. Bitumen is the liquid glue that bonds asphalt (a dry mix) together to complete the asphalt process.

Pearl pursued the opportunity to expand its product suite and in crumb rubber is now supplying a key bitumen binding ingredient that is in high demand with a strong competitive edge. This new product line offers a natural business alignment with the existing product suite, attractive economics and strong environmental benefits consistent with Pearl's brand. Pearl is now the only company in Australia that can offer multiple products as a one stop shop to an individual customer in the asphalt and bitumen industries.

Pearl Global Executive Director, Gary Foster, said:

"Building on the investments the Company made during FY21 in sales, marketing and operational capacity, we now see significant further market opportunities for Pearl. Many of these are driven by the Australian Federal government ban on the export of waste tyres which comes into effect on 1 December 2021.

"According to Tyre Stewardship Australia, 263,000 tonnes of waste tyres were exported in FY20. These waste tyres now must be processed locally, further increasing demand for Pearl's solution.

"Pearl remains the only EPA-licensed tyre processing company that is operating commercially, using the process of thermal desorption to deliver best-of-breed environmental outcomes from waste streams targeting net zero emissions, along with economic benefit for shareholders and other stakeholders. Our thermal desorption process provides the opportunity to overhaul and completely disrupt the current waste-tyre supply chain processes.

"In FY22, Pearl will continue to apply its unique, next generation technology to cleanly convert Australia's waste tyre stream into high value products and increase its sales. As we benefit from strong tailwinds through shifting attitudes towards environment and waste policy, Pearl will continue to pursue its near-term goal of expanding domestic sales to the large and available market within the asphalt and bitumen industries."

Authorised by:
Gary Foster
Executive Director

For further information, please contact:
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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.

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1. Company details

Name of entity:	Pearl Global Limited
ABN:	90 118 710 508
Reporting period:	For the year ended 30 June 2021
Previous period:	For the year ended 30 June 2020

2. Results for Announcement to Market

\$ AUD		2021	2020
Revenues from ordinary activities	Up 12%	2,160,638	1,923,525
Loss from ordinary activities	Down 25%	7,475,867	9,978,777
Loss before interest and tax (EBIT) from ordinary activities	Up 66%	5,833,272	3,516,856
Loss from ordinary activities attributable to the owners of Pearl Global Limited	Down 25%	7,475,867	9,978,777
Loss for the year attributable to the owners of Pearl Global Limited	Down 17%	7,745,268	9,284,966

3. Net tangible assets

Cents		2021	2020
Net tangible assets per ordinary security		1.18	1.26

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's thermal desorption process provides the opportunity to overhaul and completely disrupt the current waste-tyre supply chain processes. Pearl is the only EPA licensed tyre processing company that is operating commercially, using the process of thermal desorption to achieve the multiple benefits of "best of breed" environmental outcomes from waste streams (targeting net zero emissions), and economic benefit for shareholders and other stakeholders.

During the year ending 30 June 2021 (FY21), Pearl continued to focus on the ramp up and commercialisation of its proprietary technology for the clean conversion of waste tyres into regenerative resources.

Pearl's thermal desorption process cleanly converts waste tyres into four product streams: fuel oil, recovered carbon black (rCB), steel, and clean gases. Each of these product streams can be sold or further used in place of virgin resources. Pearl's process is a primary example of the development of the "circular, sustainable, economy".

During the period, the Company cleanly converted 3,363 tonnes (2020: 3,674 tonnes) of waste tyres into new products for sale. Over the last two years, the Company has processed the equivalent of 880,000 vehicle tyres, which would otherwise end up in landfills or exported as a coal substitute. Processing volumes for the period were 9% lower than the previous period, mainly due to reduced machine availability as mechanical changes were implemented to the thermal desorption processing units to improve performance. Liquid fuels produced from operations were 1,224 tonnes (2020: 1,543 tonnes), carbon char was 1,446 tonnes (2020: 1,322 tonnes) and steel was 252 tonnes (2020: 367 tonnes).

Sales revenue for the year increased 12.5% to \$2.16 million (2020: \$1.92m) largely due to increased sales of Pearl's cleanly converted fuels and carbon products, combined with fees received for the collection of tyres.

During FY21, Pearl was able to develop sales of its key products, fuel and recovered carbon black, into the Australian asphalt industry. By working closely with several major players, Pearl has been able to demonstrate significant benefits in asphalt production, with producers making use of Pearl's fuel for energy and Pearl's recovered carbon black as an additive to improve the quality of the asphalt produced.

As a result, Pearl was successful in signing a number of offtake agreements for sales of its products into the asphalt industry. Pearl has identified a significant market opportunity with the broader Australian asphalt industry as a key partner in the use of Pearl's products.

Pearl has continued to increase its promotion of its technology to the waste industry sector within Queensland. As such, Pearl won a series of tenders for tyre collection from councils including Gold Coast City Council, Maranoa, Fraser Coast, Scenic Rim, Rockhampton and Central Highlands Regional Councils. A growing pipeline of councils are increasingly attracted to Pearl's ability to recycle within the state and provide the reclaimed products to local industry.

Driven by demand from existing customers and the broader industry sector, during the year the Company identified an opportunity to expand its product streams by producing crumb rubber from waste tyres. Crumb rubber is typically used in bitumen manufacturing, which is closely linked with the asphalt industry. Bitumen is the liquid glue that bonds asphalt (a dry mix) together to complete the asphalt process. Pearl pursued the opportunity to expand its product suite and in crumb rubber is now supplying a key bitumen binding ingredient that is in high demand with a strong competitive edge. This new product line offers a natural business alignment with the existing product suite, attractive economics and strong environmental benefits consistent with Pearl's brand. Pearl is now the only company in Australia that can offer multiple products as a one stop shop to an individual customer in the asphalt and bitumen industries.

The business faced a number of challenges during FY21. One of these elements was the delays in machine parts for the building of thermal desorption unit number three as availability was limited by COVID-19 related delays. Further, and as mentioned previously, processing availability was hampered due to plant modifications. Although the Company continued to operate throughout the COVID crisis, volumes processed did not ramp up as quickly as expected. As a result, the Company recorded an operating EBITDA loss of approximately \$5.8m and a consolidated after tax loss of \$7.75 million for the year (2020: \$9.28 million loss, which included an impairment charge).

Capital expenditure of \$2.5 million (2020: \$3.77 million) was spent in improvements to equipment and onsite materials handling. This will enable expansion of volumes and Pearl's ability to service customers more safely and smoothly. However, delays in equipment coming from overseas for Pearl's fourth thermal desorption unit (TDU) and the crumbing plant has delayed the expected expansion of volumes.

Subsequent to the period end, Pearl successfully completed a \$5.25 million capital raising. The funds raised will provide working capital to empower expansion and will help Pearl continue to develop and demonstrate its unique technology.

Pearl sees significant further market opportunities, including the Federal government ban on the export of waste tyres which comes into effect on 1 December 2021. According to Tyre Stewardship Australia, 263,000 tonnes of waste tyres were exported in FY20. These waste tyres now must be processed locally, further increasing demand for Pearl's solution.

Pearl remains the only entity in Australia with thermal industrial technology that has received EPA approval to operate and that is commercially operating.

Pearl will continue to apply its unique, next generation technology to cleanly convert Australia's waste tyre stream into high value products and increase its sales. It will continue to pursue its near-term goal of expanding its domestic sales to the large and available market within the asphalt and bitumen industries.

Pearl Global Limited

Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 30 June 2021

\$ AUD	Note	2021	2020
Revenue	3	2,160,638	1,923,525
Other income	4	956,995	1,793,216
Operating Expenses	5	(4,776,334)	(3,595,973)
Employee Benefits Expense		(2,224,497)	(1,379,936)
Depreciation		(1,388,361)	(1,093,633)
Amortisation		-	(206,250)
Impairment Expense		-	(5,092,766)
Finance costs	6	(256,498)	(74,290)
Other expenses	5	(1,947,810)	(2,252,670)
Operating loss		(7,475,867)	(9,978,777)
Income tax benefit / (expense)		(269,401)	693,811
Total comprehensive loss		(7,745,268)	(9,284,966)
Earnings per share			
Basic & diluted loss per share (cents per share)	7	(2.31)	(4.46)

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 2021

\$ AUD	Note	2021	2020
ASSETS			
Current Assets			
Cash and cash equivalents		2,955,383	1,886,946
Other Financial Assets		397,427	326,206
Trade and other receivables		999,898	1,166,551
Inventory		354,408	-
Other current assets		169,612	189,976
Total current assets		4,876,728	3,569,679
Non-Current Assets			
Property, plant & equipment	8	5,286,546	3,492,003
Right-to-use asset	9	2,032,060	2,756,132
Total non-current assets		7,318,606	6,248,135
Total assets		12,195,334	9,817,814
LIABILITIES			
Current Liabilities			
Trade and other payables		1,356,944	1,910,150
Provisions		246,574	266,933
Financial Liability		437,500	-
Lease liability		552,858	680,128
Total current liabilities		2,593,876	2,857,211
Non-Current Liabilities			
Deferred tax		671,834	453,044
Financial Liability		1,093,750	35,379
Lease liability		1,667,734	2,184,850
Total non-current liabilities		3,433,318	2,673,273
Total liabilities		6,027,194	5,530,484
Net assets		6,168,140	4,287,330
EQUITY			
Equity attributable to the holders of the parent			
Issued Capital	10	32,813,517	23,276,183
Options reserve	10	234,977	4,628,022
Accumulated losses		(26,880,354)	(23,616,875)
Total equity		6,168,140	4,287,330

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 2021

\$ AUD	Note	2021	2020
Cash flows from operating activities			
Receipts from customers		2,453,426	1,899,956
Payments to suppliers and employees		(10,176,722)	(6,731,828)
Receipt of government grants and incentives		293,007	1,374,184
Interest received		2,264	5,018
Interest paid		(202,966)	(74,290)
Income Taxes Paid		(50,611)	-
Tax Refund from Research & Development		740,203	-
Net cash outflow used in operating activities		(6,941,399)	(3,526,960)
Cash flows from investing activities			
Purchase of property, plant & equipment		(2,273,944)	(1,513,433)
Proceeds from disposal of property, plant & equipment		-	36,006
Deposits and bonds		(6,530)	(26,362)
Payments for development asset		-	(1,360,400)
Payments for financial assets		(71,221)	(326,206)
Investment in subsidiary, net of cash acquired		-	(577,869)
Net cash outflow used in investing activities		(2,351,695)	(3,768,264)
Cash flows from financing activities			
Proceeds from issue of shares		9,631,336	3,902,876
Share / options issue costs		(250,000)	(95,549)
Repayment of lease liabilities		(551,055)	(37,905)
Proceeds from borrowings		1,750,000	-
Repayment of borrowings		(218,750)	-
Net cash inflows from financing activities		10,361,531	3,769,422
Net (decrease)/increase in cash and cash equivalents		1,068,437	(3,525,802)
Cash and cash equivalents at the beginning of the financial year		1,886,946	5,410,200
Net effects of exchange rate on cash and cash equivalents		-	2,548
Cash and cash equivalents at the end of the financial year		2,955,383	1,886,946

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 2020

Consolidated Equity 30 June 2021 \$ AUD	Issued capital	Other equity component	Option reserve	Accumulated losses	Total equity
Balance as at 1 July 2020	23,276,183	-	4,628,022	(23,616,875)	4,287,330
Loss for the year				(7,745,268)	(7,745,268)
Total comprehensive loss for the year	-	-	-	(7,745,268)	(7,745,268)
Shares issued during the period	9,787,334				9,787,334
Share issue costs	(250,000)				(250,000)
Share based payment expenses			88,743		88,743
Expiry of options			(4,481,788)	4,481,788	-
Balance as at 30 June 2021	32,813,517	-	234,977	(26,680,354)	6,168,140

Consolidated Equity 30 June 2020 \$ AUD	Issued capital	Other equity component	Option reserve	Accumulated losses	Total equity
Balance as at 1 July 2019	19,303,854	-	4,609,986	(14,326,793)	9,587,047
Adjustment upon adoption of AASB 16 ¹	-	-	-	(5,116)	(5,116)
Restated Balance as at 1 July 2019	19,303,854	-	4,609,986	(14,331,909)	9,581,931
Loss for the year	-	-	-	(9,284,966)	(9,284,966)
Total comprehensive loss for the year	-	-	-	(9,284,966)	(9,284,966)
Options expiring during the period	-	-	18,036	-	18,036
Shares issued during the period	4,067,879	-	-	-	4,067,879
Share issue costs	(95,550)	-	-	-	(95,550)
Balance as at 30 June 2020	23,276,183	-	4,628,022	(23,616,875)	4,287,330

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 2020, the 31 December 2020 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 31 August 2021.

(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

Consolidated 2021	Tyre processing	Manufacturing	Corporate	Total
Sales to external customers	1,911,871	248,767	-	2,160,638
Other revenue	20,507	249,708	684,516	954,731
Total revenue and other income	1,932,378	498,475	684,516	3,115,369
Overheads	(2,505,599)	(2,966,854)	(3,476,188)	(8,948,641)
EBITDA	(573,221)	(2,468,379)	(2,791,672)	(5,833,272)
Depreciation and amortisation	(252,377)	(633,601)	(502,383)	(1,388,361)
Interest Revenue	-	-	2,264	2,264
Finance costs	(2,327)	(154,687)	(99,484)	(256,498)
Loss before income tax expense	(827,925)	(3,256,667)	(3,391,275)	(7,475,867)
Income tax benefit / (expense)	(50,611)	-	(218,790)	(269,401)
Loss after income tax expense	(878,536)	(3,256,667)	(3,610,065)	(7,745,268)
Segment assets	1,682,814	5,150,898	5,361,622	12,195,334
Segment liabilities	339,370	2,939,743	2,748,081	6,027,194
Net assets as at 30 June 2021	1,343,444	2,211,155	2,613,541	6,168,140
Consolidated 2020	Tyre processing	Manufacturing	Other	Total
Sales to external customers	1,571,646	351,879	-	1,923,525
Other income	934,139	854,059	-	1,788,198
Total revenue and other income	2,505,785	1,205,938	-	3,711,723
Overheads	(1,314,334)	(3,565,075)	(2,349,171)	(7,228,579)
EBITDA	1,191,451	(2,359,137)	(2,349,171)	(3,516,856)
Depreciation	(213,448)	(352,885)	(527,300)	(1,093,633)
Amortisation	-	-	(206,250)	(206,250)
Impairment expense	-	-	(5,092,766)	(5,092,766)
Interest revenue	-	-	5,018	5,018
Finance costs	-	-	(74,290)	(74,290)
Loss before income tax expense	978,003	(2,712,022)	(8,244,759)	(9,978,777)
Income tax benefit	-	-	-	693,811
Loss after income tax expense	978,003	(2,712,022)	(8,244,759)	(9,284,966)
Segment assets	2,054,414	3,684,818	4,078,582	9,817,814
Segment liabilities	204,939	3,871,511	1,454,034	5,530,484
Net assets as at 30 June 2020	1,849,475	(186,693)	2,624,548	4,287,330

Pearl Global Limited

3. REVENUE

\$ AUD	2021	2020
Fees for collection of end-of-life tyres	1,811,690	1,455,428
Sales from oil derived from tyres	236,911	294,809
Sales from carbon derived from tyres	8,780	-
Sales from steel derived from tyres	98,228	89,732
Other operating revenue	5,029	83,556
Total operating revenue	2,160,638	1,923,525

4. OTHER INCOME

\$ AUD	2021	2020
Sub-lease income	38,569	98,507
Insurance recoveries	-	17,146
Federal government R&D grant	602,990	581,415
Queensland government grant	20,507	800,000
Federal government JobKeeper & PAYG Cash Boost grants	272,500	160,000
Western Australian government rebate	-	2,500
Interest income	2,264	5,018
Gain on disposal of non-current asset	-	115,357
Other operating revenue	20,165	13,273
Total operating revenue	956,995	1,793,216

5. EXPENSES

Loss includes the following specific expenses:

\$ AUD	2021	2020
Operating expenses:		
Wages	1,766,080	1,936,439
Hire of plant & equipment	1,036,318	279,070
Maintenance	1,074,696	130,460
Fuel & power	749,881	737,225
Closing Inventory adjustment	(354,408)	-
Other operating expenses	503,767	512,779
Total operating expenses	4,776,334	3,595,973
Other expenses:		
Rent and occupancy	125,119	459,900
Travel expenses	146,488	182,138
Insurance	146,114	198,556
Company secretarial	36,000	30,037
Accounting and audit	106,153	128,015
Regulatory expenses	113,092	115,013
Professional and consultancy fees	753,587	674,144
Other expenses	521,257	464,867
Total other expenses	1,947,810	2,252,670

Pearl Global Limited

6. FINANCE COSTS

\$ AUD	2021	2020
Finance costs and finance income for the period consists of the following:		
Interest expense for borrowings	256,498	74,290
Total finance costs	256,498	74,290

7. LOSS PER SHARE

\$ AUD	2021	2020
(a) Basic earnings per share:		
Loss from continuing operations attributable to owners of Pearl Global Limited used to calculate basic earnings per share	7,745,268	9,284,966
(b) Diluted earnings per share		
Loss from continuing operations attributable to owners of Pearl Global Limited used to calculate diluted earnings per share	7,745,268	9,284,966
Number of shares		
Weighted average number of ordinary shares used as a denominator in calculating basic and diluted earnings per share	335,422,032	208,538,743
Loss per share attributable to owners of the Company:		
Diluted loss per share (cents per share)	(2.31)	(4.46)

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

8. PROPERTY, PLANT AND EQUIPMENT

\$ AUD	2021	2020
Cost	7,572,924	5,058,243
Accumulated depreciation	(2,286,378)	(1,566,241)
Balance at the end of the year	5,286,546	3,492,002
Movements		
Balance at the beginning of the year	3,492,003	2,074,740
Additions	2,545,047	2,623,211
Depreciation	(750,504)	(660,669)
Disposals	-	(545,279)
Balance at the end of the year	5,286,546	3,492,003

Pearl Global Limited

9. RIGHT-TO-USE ASSET

\$ AUD	2021	2020
Cost	2,973,746	3,232,392
Accumulated depreciation	(941,686)	(476,260)
Balance at the end of the year	2,032,060	2,756,132
Movements		
Balance at the beginning of the year	2,756,132	-
Additions	-	3,232,392
Depreciation	(637,856)	(476,260)
Written-off	(86,216)	-
Balance at the end of the year	2,032,060	2,756,132

10. ISSUED CAPITAL

(a) Ordinary Shares as at 30 June 2021

Consolidated	2021	2020	2021	2020
	No. shares	No. shares	\$	\$
Beginning of the financial year	251,192,350	199,453,880	23,276,183	19,303,854
Shares issued as consideration for ATP acquisition	1,714,286	1,500,000	156,000	165,000
Shares issued via private placement	119,092,562	50,238,470	9,631,334	3,902,879
less: issue costs	-	-	(250,000)	(95,550)
End of financial year	371,999,198	251,192,350	32,813,517	23,276,183

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 2021

Consolidated	2021	2020	2021	2020
	No. options	No. options	\$	\$
Beginning of the financial year	47,319,238	74,455,933	4,628,022	4,609,986
Options issued as consideration for services	2,974,000	-	56,815	-
Options issued via Share Purchase Plan	-	-	31,928	18,036
less: expired options	(45,319,238)	(27,136,695)	(4,481,788)	-
End of financial year	4,974,000	47,319,238	234,977	4,628,022

11. EVENTS SUBSEQUENT TO BALANCE DATE

On 2 August 2021 the Company announced its intention to raise up to approximately \$6 million in share capital at 3.5 cents per share. \$5.25 million was to be raised via a placement that would occur in two tranches. The first tranche of 92,857,184 shares were issued on 10 August 2021 to raise \$3.2 million. Tranche two for the issue of up to 57,142,866 to raise \$2.0 million is subject to shareholder approval at a meeting to be held 27 September 2021. Pearl is also raising up to a further \$750,000 through a non-underwritten share purchase plan (SPP) offered to existing eligible shareholders at the same price as the placement. The SPP is subject to shareholder approval at the meeting to be held 27 September 2021.

On 17 August 2021 the company announced the appointment of Mr Michael Barry as Non-Executive Chairman, taking over from Mr Gary Foster with immediate effect.

Released with the authority of the Board of Pearl Global Limited