

## INTERIM FINANCIAL STATEMENTS MATERIAL VARIANCES TO APPENDIX 4D

On 26 February 2021, Pearl Global Limited (ASX: PG1) (Pearl or the Company) released its Appendix 4D to the market, which included the unreviewed interim financial statements for the period ended 31 December 2020. At the time, the Company also announced that it would be relying upon ASIC Relief (ASIC-CI 2020/1080) to extend the lodgement date for its interim financial statements and the other documents required to be lodged with ASIC under section 319 of the *Corporations Act* by one month.

The Company is making this announcement to the market, as a required condition of the ASIC Relief, having become aware of material differences between the unreviewed interim financial statements (as presented in the Appendix 4D) and the interim financial statements that will be released prior to 31 March 2021.

### 1. Variance in Statement of Profit or Loss and Other Comprehensive Income

The following table shows the unreviewed Statement of Profit and Loss as it appeared in the above-noted Appendix 4D, the revised unreviewed Statement of Profit and Loss and the differences between the two. The nature of the variances is noted in the accompanying notes below the table.

\$ AUD	Note	Revised	Appendix 4D	Variance
Revenue		1,531,211	1,531,211	-
Other income		329,030	329,030	-
Operating Expenses	1,2	(2,791,541)	(3,062,452)	270,911
Employee benefit expense		(768,494)	(768,494)	-
Depreciation		(716,777)	(716,777)	-
Other operating expense	2	(1,125,064)	(1,125,049)	(15)
Finance costs		(108,087)	(108,087)	-
<b>Operating loss</b>		<b>(3,649,722)</b>	<b>(3,920,618)</b>	<b>270,874</b>
Income tax benefit / (expense)	3	83,714	(211,260)	294,974
<b>Total comprehensive loss</b>		<b>(3,566,008)</b>	<b>(4,131,878)</b>	<b>(565,870)</b>

#### Notes:

1. A review of the Company's operating expenses identified that some purchases had been recorded incorrectly, resulting in an overstatement of operating expenses.
2. Some expense items had been classified inconsistently compared with prior years.
3. Tax calculations have been revised as required.

## 2. Variance in the Balance Sheet

The following table shows the unreviewed Statement of Financial Position as it appeared in the above-noted Appendix 4D, the revised unreviewed Statement of Financial Position and the differences between the two. The nature of the variances is described in the accompanying notes.

\$ AUD	Note	Revised	Appendix 4D	Variance
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash and cash equivalents		6,150,698	6,150,698	-
Trade and other receivables	4	1,243,036	1,252,355	(9,319)
Other current assets		307,103	307,103	-
<b>Total current assets</b>		<b>7,700,837</b>	<b>7,710,156</b>	<b>(9,319)</b>
<b>Non-Current Assets</b>				
Property, plant & equipment	5	4,389,669	4,418,526	(28,857)
Right-to-use asset		2,415,650	2,415,650	-
<b>Total non-current assets</b>		<b>6,805,319</b>	<b>6,834,176</b>	<b>(28,857)</b>
<b>Total assets</b>		<b>14,506,155</b>	<b>14,544,332</b>	<b>(38,177)</b>
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Trade and other payables	6	432,500	741,573	(309,073)
Borrowings		514,933	514,933	-
Short term provisions		293,519	293,519	-
Lease liabilities		623,102	623,102	-
<b>Total current liabilities</b>		<b>1,864,054</b>	<b>2,173,127</b>	<b>(309,073)</b>
<b>Non-Current Liabilities</b>				
Borrowings		1,312,500	1,312,500	-
Lease liabilities		1,951,614	1,951,614	-
Deferred tax liabilities	3	369,330	664,304	(294,974)
<b>Total non-current liabilities</b>		<b>3,633,444</b>	<b>3,928,418</b>	<b>(294,974)</b>
<b>Total liabilities</b>		<b>5,497,498</b>	<b>6,101,545</b>	<b>(604,047)</b>
<b>Net assets</b>		<b>9,008,657</b>	<b>8,442,787</b>	<b>(565,870)</b>
<b>EQUITY</b>				
Issued Capital		31,563,518	31,563,518	-
Options reserve		4,626,886	4,626,886	-
Accumulated losses	7	(27,181,747)	(27,747,617)	(565,870)
<b>Total equity</b>		<b>9,008,657</b>	<b>8,442,787</b>	<b>(565,870)</b>

### Notes:

- Correction of the errors identified in Notes 1 and 5 impacted GST receivables.
- Costs associated with equipment under construction were recorded inclusive of GST.
- Correction of the error identified in Note 1 resulted in a reduction in trade payables.
- The net effect of the foregoing corrections is a reduction of \$565,870 in the total comprehensive loss.

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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.*