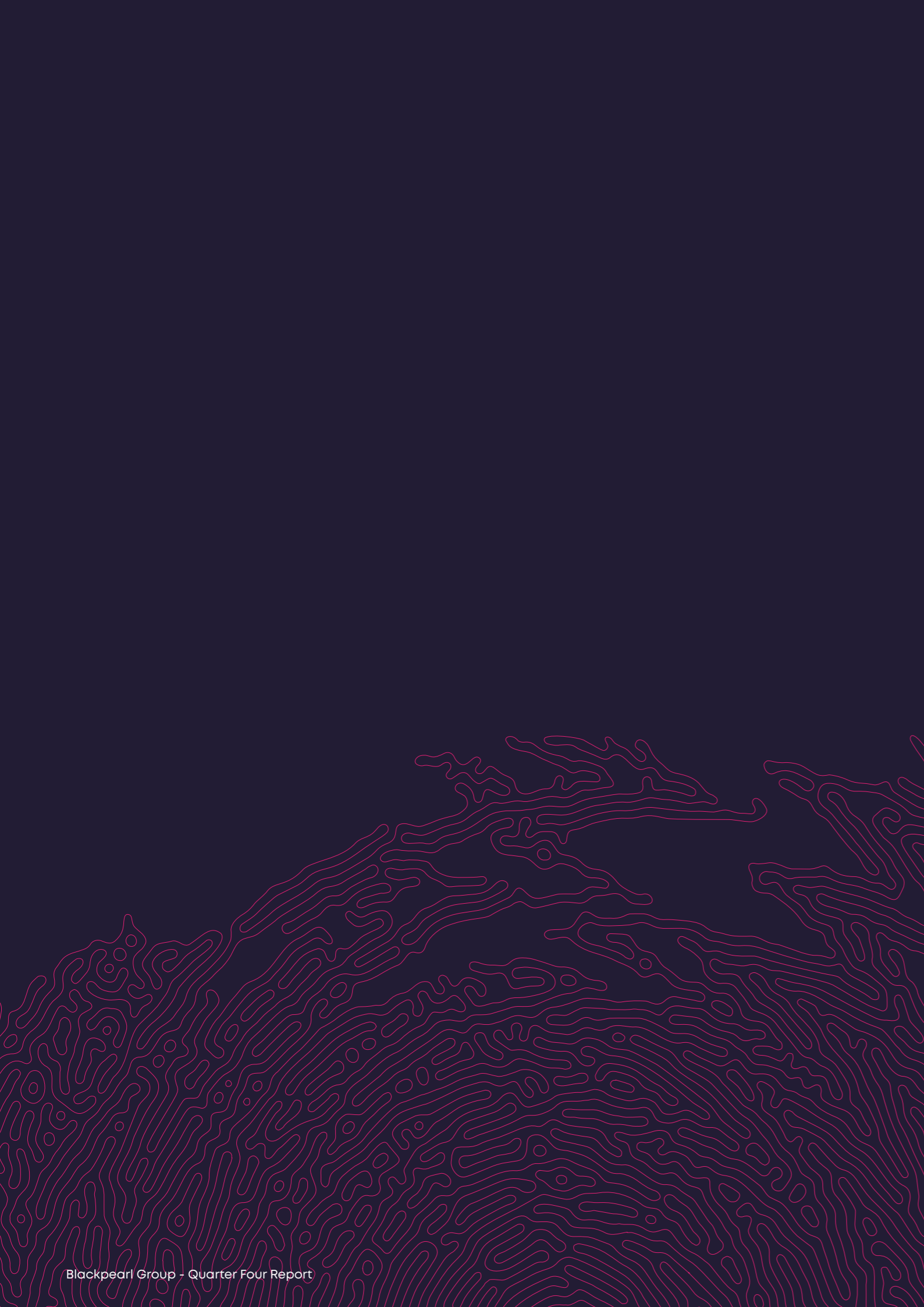


Black Pearl Group Limited - **Quarter Four Report**

Quarterly Investor Update

Quarter Four report for the three-month period to 31 March 2024

blackpearl 



Contents:

- 04** Foreword from the CEO
- 06** Highlights
- 08** Commentary from the CFO
- 10** Future Outlook

contents



Dear Shareholders,

I'm pleased to share that our fourth quarter has been our strongest yet, marking the close of a financial year characterised by hyper growth.

Quarterly reports typically focus on financial comparisons with the same period in the prior fiscal year. Given BPG's consistent growth, these tend to show substantial percentage gains. Nonetheless, a keen observer will recognise significant momentum from Q3 alone. Our monthly revenue acquisition velocity increased by 33%, growing from an average of \$600k new ARR per month in Q3 to \$800k in Q4. Moreover, our total ARR increased by nearly \$2 million over the quarter.

What truly stood out over the last quarter is our team's ability to balance business-as-usual execution with innovation. One notable strategic move has been our exploration into DIY capabilities within our software, reflecting our commitment to efficiency and market diversification. Empowering customers with self-service options not only optimises resource allocation but also unlocks new market avenues, particularly within affiliate marketing and marketplace opportunities.

Thank you for your ongoing support and confidence in Blackpearl Group.

Ad Astra – to the stars.

Nick Lisette
CEO, Blackpearl Group



Highlights

📅 1 January 2024

Subscription Revenue

\$1.3m 

Up 10% from the previous quarter Q3 FY24.

184% increase YoY

Annual Recurring Revenue

\$7.4m 

As of 31 March 2024.

Up 33% from the previous quarter Q3 FY24.

177% increase YoY

📅 31 March 2024

Annual Recurring Revenue Per Employee

\$230k 

As of 31 March 2024.

Up 25% from the previous quarter Q3 FY24.

359% increase YoY

Revenue Churn

4.0%

As of 31 March 2024.

Churn has increased 0.9pt YOY and 0.3ppt from the previous quarter.

Gross Profit Margin

75%

Was 52% in Q4 FY23 and 73% in the previous quarter Q3 FY24.

Top 10 Customers % of Revenue

10%

As of 31 March 2024

A 5ppt increase YoY and 1ppt decrease on previous quarter Q4 F24.

Note:

- Comparative figures relate to Q4 FY23 unless otherwise stated.
- PPT stands for percentage points.

Commentary from the CFO

“Q4 concluded with strong financial performance, reflecting our strategic initiatives and resilient market positioning. We remain focused on prudent fiscal management and sustainable growth strategies, driving towards our long-term objectives. With gratitude for the dedication of our team and the ongoing support of our stakeholders, we enter the new fiscal year with confidence and purpose.” says Karen Cargill, CFO.



Karen Cargill
CFO, Blackpearl Group

Key Commentary

Subscription Revenue

\$1.3m ▲

The 184% YoY increase in subscription revenue is representative of the acquisition of our Newoldstamp product in November 2022 and the ongoing success of our higher-value flagship product, Pearl Diver. The compounding nature of our revenue supports our drive to profitability.

ARR

\$7.4m ▲

In this quarter, we achieved new annual recurring revenue of \$2.4M, growing from an average of \$600k new ARR per month in Q3 to \$800k in Q4, bringing our total ARR to \$7.4m. This underscores our commitment to steady expansion and success in Q4.

Churn

4.0%

Revenue churn has increased by 0.9ppt YoY and by 0.3ppt from the previous quarter. This is expected as we move to higher-value products. Nevertheless, it remains below the assumed 5% churn rate used in our planned path to profitability.

ARR per Employee

\$230k ▲

Our effective utilisation of global resourcing plays a pivotal role in the increase of ARR per employee. Our new annual recurring revenue of \$2.4M was achieved with the introduction of 2 new employees. With an increase in resourcing planned for Q1 FY25, we expect this number to drop in the short term and then rise with future increases in revenue.

Gross Profit Margin

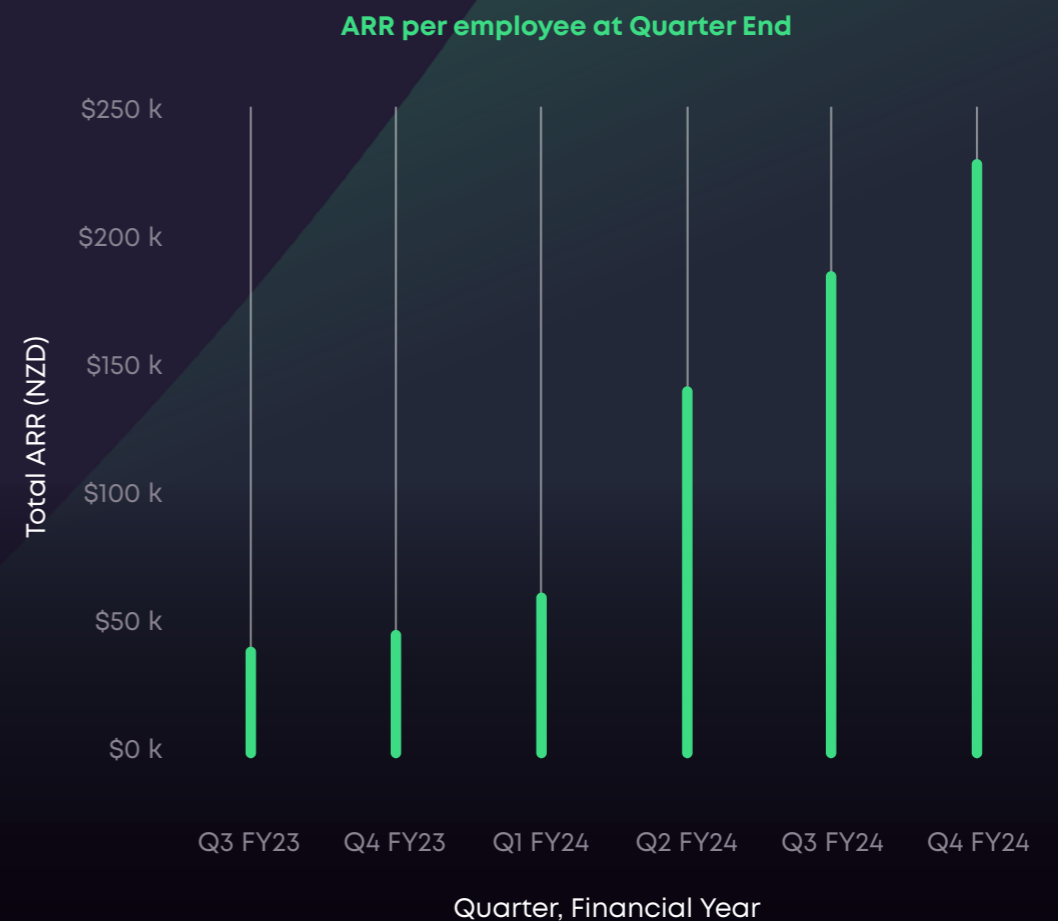
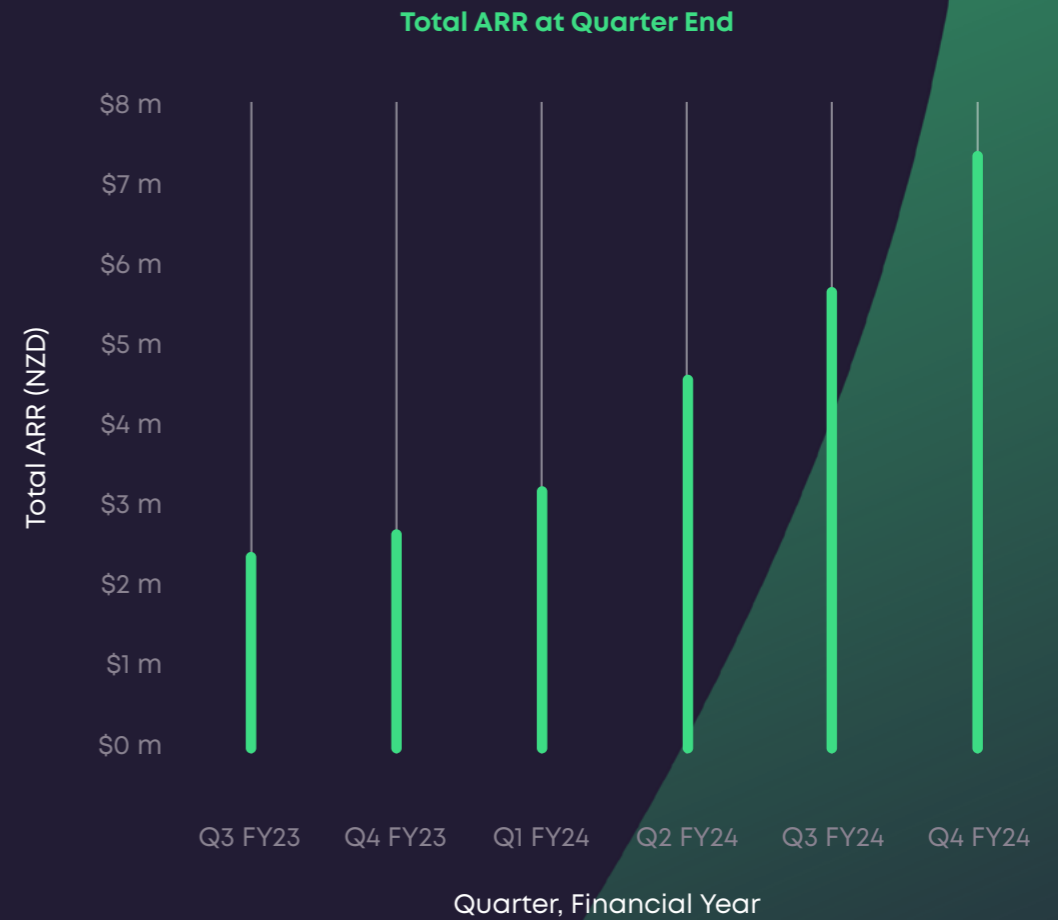
75%

Prior investment in Blackpearl Group's private platform, the Pearl Engine, is still providing scalability and efficiency at near-zero marginal cost, allowing us to maintain our strong gross profit margin. We are forecasting an increase in platform costs as we continue towards \$10M ARR.

Top 10 Customers: % of Revenue

10%

We are not reliant on large customers due to our diverse customer base.



Future Outlook

As we review the past quarter, our focus on robust growth and profitability has been clear, with an emphasis on innovation, market expansion, and customer-centric product development as we enter the new fiscal year.

Looking forward, Blackpearl Group is positioned for a dynamic future. Our strategy is anchored in diversification, harnessing cutting-edge technologies, and exploring DIY capabilities within our software. This approach reflects our commitment to operational efficiency and expanding our market footprint.

Central to our vision is customer empowerment through self-service options. This move not only optimises resource allocation but also unlocks new market avenues. Particularly, we anticipate significant opportunities in affiliate marketing and marketplace ventures, driven by the accessibility and adaptability of our self-service solutions.

As we move into the upcoming quarter and beyond, Blackpearl Group remains focused on sustained growth and success. With a solid foundation and forward-thinking strategies, we're confident in delivering value to our stakeholders in the evolving business landscape.



Blackpearl Group targets \$10 million milestone as annual recurring revenue doubles.

Nick Lissette has now set his sights on continuing that upward trajectory and hitting the \$10 million target within the next financial year.

Longer term, Lissette has set even bolder targets for the business to achieve.

“I believe our sights will soon be on the \$100 million revenue mark,” said Lissette.

About Blackpearl Group

Blackpearl Group (BPG) is a market leading data technology company that pioneers AI driven, sales and marketing solutions for the US market.

Specifically engineered for small-medium sized businesses (SMEs), BPG consistently delivers exceptional value to its customers. Our mantra is simple: 'Better Growth Together'. When our customers win, we win.

Founded in 2012, Blackpearl Group is based in Wellington, New Zealand, and Phoenix, Arizona.

[Blackpearl.com](https://blackpearl.com)

blackpearl 