BLACKPEARL GROUP FY25 ANNUAL REPORT

Welcome to Blackpearl Group's Annual Report for the Financial Year Ended 31 March 2025. Titled "The New Frontier," this report encapsulates a year defined by bold expansion, breakthrough innovation, and the relentless pursuit of growth.

We are entering a new frontier of business transformation. The shift away from third-party data and blind advertising is not just a market trend – it's a seismic change. At Blackpearl Group, we are helping small and medium-sized businesses navigate this change with confidence, speed, and precision.

This year, we advanced our mission to democratise data and empower every business to turn data into dollars. With our flagship product Pearl Diver continuing to accelerate growth, and our new product Bebop redefining what AI can do for sales, FY25 has proven that we are not only ready for the future – we are building it.

Ad Astra – to the stars.

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Highlights

NOTES:

- COMPARATIVE FIGURES RELATE TO Q4 FY24 UNLESS OTHERWISE STATED
- FIGURES ARE IN NZD$ UNLESS OTHERWISE STATED
- PPT STANDS FOR PERCENTAGE POINTS

1 APRIL 2024 — 31 MAR 2025

ANNUAL RECURRING REVENUE

$12.5m ↑

As of 31 March 2025.
A 70% increase year-on-year, up from $7.4m.

SUBSCRIPTION REVENUE

$7.7m ↑

As of 31 March 2025.
An 81% increase year-on-year, up from $4.1m in FY24

ANNUAL RECURRING REVENUE PER EMPLOYEE

$245k

As of 31 March 2025.
A 7% increase YoY, up from $230k as at 31 March 2024.

REVENUE CHURN

5.3%

As of 31 March 2025.
Churn increased by 1.3 percentage points YoY, from 4.0% as at 31 March 2024.

GROSS PROFIT MARGIN

68%

For FY25,
previously 71% in FY24.

TOP 10 CUSTOMERS % OF REVENUE

17%

As of 31 March 2025.
A 7ppt increase YoY, up from 10% as at 31 March 2024.

YEAR IN REVIEW

Letter from the Chair

Dear Shareholders,

The pace of innovation is now measured in weeks, not years – and those who win are those who move fast, stay focused, and never stop building.

I'm proud to present Blackpearl Group's FY25 Annual Report, which reflects a year of disciplined execution and bold innovation. We've grown Annual Recurring Revenue by 70% year-over-year to $12.5 million and launched a new product, Bebop, that is already showing the strongest product–market fit we've seen to date.

Our core thesis remains unchanged: the best way to create lasting value is to build products that solve real problems for a large and underserved market. For Blackpearl, that market is the 33 million SMEs across the United States. These businesses are increasingly cut off from the old way of doing digital marketing – and in that disruption lies extraordinary opportunity.

Pearl Diver continues to deliver outstanding value for marketing teams, while Bebop opens a powerful new front by helping sales teams convert faster using AI-generated insight. Together, they reflect our long-term strategy: to build a scalable, multi-product platform that delivers growth through innovation.

We believe in building companies to last. We invest for the long haul. And we believe that Blackpearl Group is just getting started.

Here's to the next frontier.

Sincerely,

TIM CROWN
CHAIRMAN, BLACKPEARL GROUP

YEAR IN REVIEW

Letter from the CEO

Dear Shareholders,

FY25 was a year of momentum – the kind that's measured not just in metrics, but in market shifts.

We've reached $12.5 million in Annual Recurring Revenue, driven primarily by our flagship product Pearl Diver. We also launched a new product, Bebop – a **true** sales AI agent – which saw the fastest early adoption and customer validation in our company's history.

This is what execution at speed looks like. And it's only possible because of the Pearl Engine, our proprietary platform that powers rapid product development, customer insights, and data integration at scale. We built Pearl Diver in 45 days. Bebop took 90. And both are transforming how US-based SMEs acquire and convert customers.

But FY25 wasn't just about new products. It was about building the foundation for scalable, defensible growth. We moved aggressively to phase out non-ICP customers, sharpened our focus on high-value segments, and restructured contracts to improve long-term gross margins.

Some of those decisions created short-term noise. But in a market defined by change, resilience is strategy. We are now better positioned than ever to scale beyond $20 million in ARR – and toward our longer-term goal of $50 million in ARR.

As always, we're grateful for your trust and support.

Ad Astra.

NICK LISSETTE
CEO, BLACKPEARL GROUP

Who we are

Blackpearl Group is a market leading data technology company pioneering AI-driven sales marketing solutions for the US market. We are specifically engineered for small-medium-sized businesses (SME's), to consistently deliver exceptional value to customers.

Our mantra is simple - 'Creating Motivating Opportunities' - to create the opportunities that motivate action, with high-impact products that pivot at speed, serving businesses with the tools they really need, to kickstart action, to generate new revenue - turning data into dollars.

OUR PURPOSE

Empowering business by transforming data into revenue.

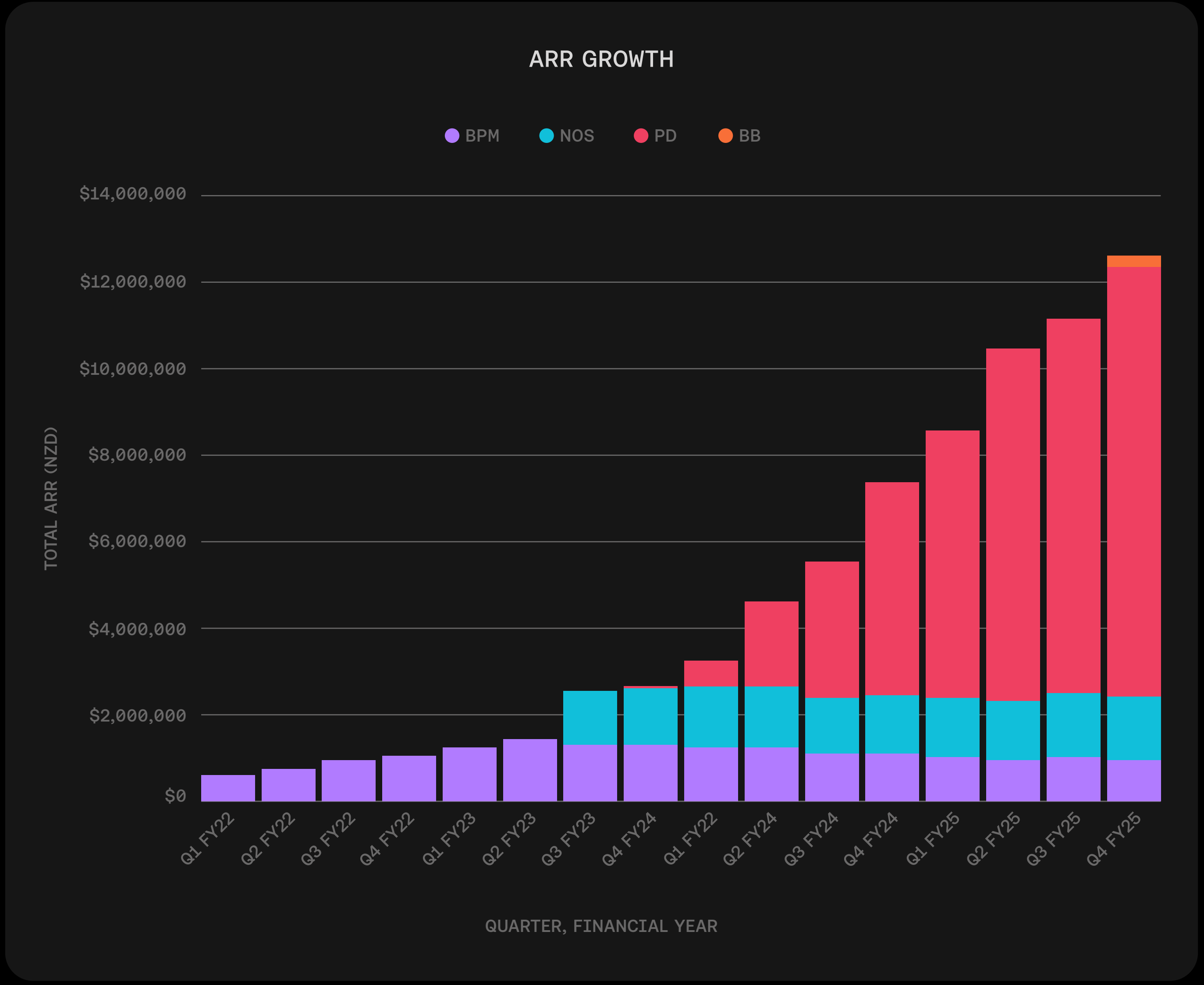
OUR MISSION

To break big tech's stranglehold on the lifeblood of business, democratising data for small-to-medium businesses, and creating motivating opportunities for change.

How We Performed

Investment in Pearl Diver

- Pearl Diver was originally built in just 45 days using our proprietary Pearl Engine.
- Within 8 quarters, it has scaled to nearly $10 million in ARR.
- The product's growth reflects strong product-market fit and a highly efficient development model.
- The Pearl Engine allows us to launch and adapt products rapidly at lower cost.
- In FY25, group ARR grew 70% year-on-year, largely driven by Pearl Diver.
- With Pearl Diver well established, Bebop is now positioned to drive the next phase of growth across FY26.



Next Stage of Pearl Diver

- During the year, we continued investing in Pearl Diver to unlock a new, higher-tier customer base.
- We're already seeing results – ARPU has increased 50% over the past six months.
- These customers not only delivered significantly higher ARPU but also show stronger retention.
- ARPU grew 132% YoY in Q1, driven by uptake of new higher-tier packages ($59k–$98.4k), with continued uplift across FY25.

Enabling Future Growth

At the capital raise, we said we'd invest in the next stage of growth - and we've done exactly that.

With $12.5m in ARR and Bebop now launched, Blackpearl is not only on track for $20m ARR, but building toward $50m ARR and beyond.

We've made targeted investments across people, platform, and product to ensure we scale efficiently and ahead of demand.

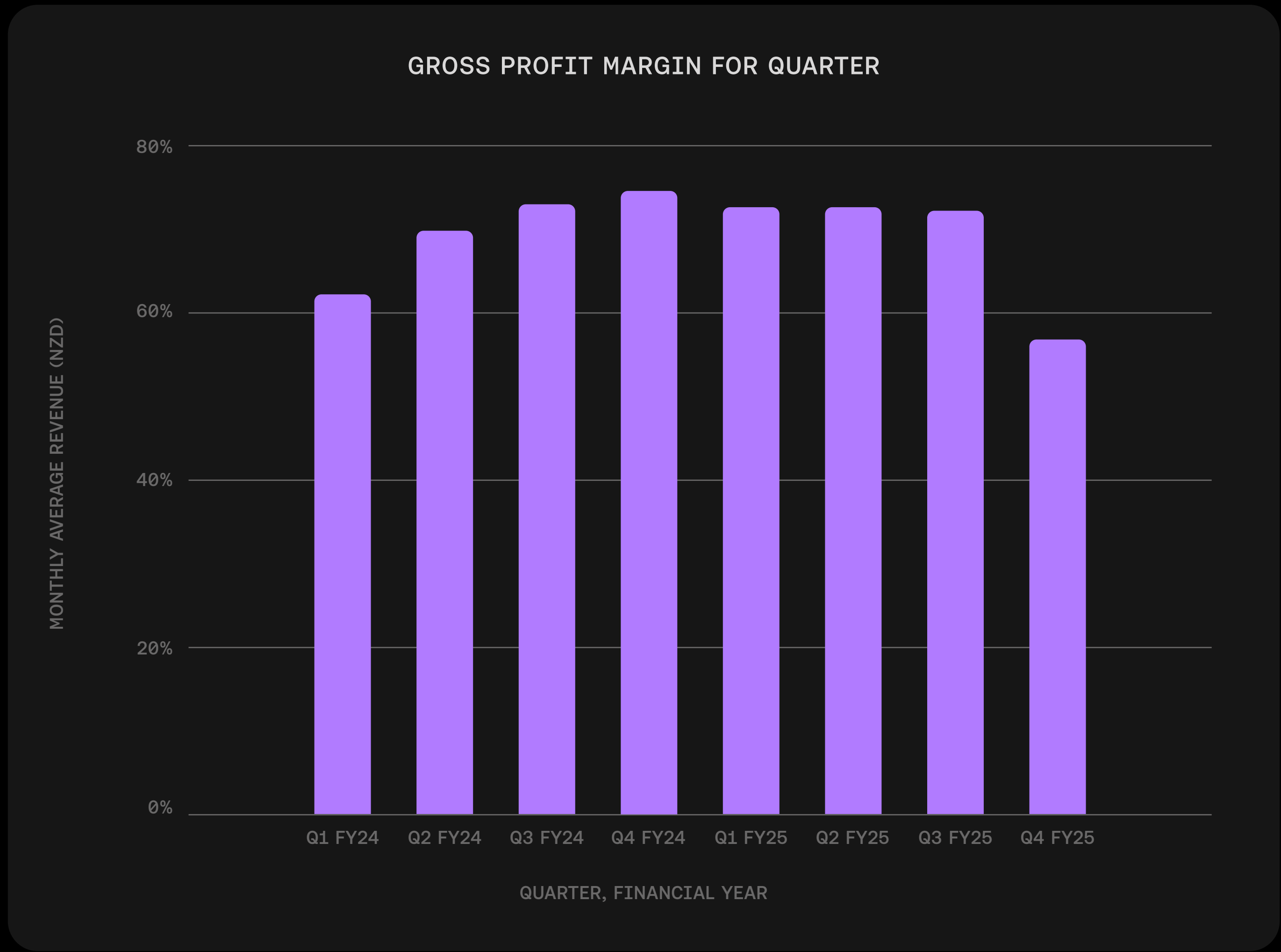
Strategic Investments Delivering Returns

INVESTMENTS	TIMING OF INVESTMENT	RETURN FROM INVESTMENT
People (Product, CX)	2H25	We have expanded the team to right size for our future opportunity set.
Pearl Diver – Higher tier customer	2H25	Further ARPU expansion expected in 1H26.
Bebop development	2H25	Product launched. Revenue to ramp up from 1H26 onwards.
Bebop marketing	2H25 / 1H26	Early-stage marketing campaigns - especially during beta and pre-revenue phases - are typically unoptimised. While investment continues, performance is expected to improve as typical optimisation cycles take effect. Marketing spend in 1H26, and particularly in 2H26, will become much more efficient.
New data provider	2H25	Gross margin recovery from 2Q26 as prior provider rolls off (currently spend is duplicated). Flat fee, thus improvement from 3Q26 as data and thus scale benefits start to accrue.

Gross Margin

- Gross margin declined from 71% (FY24) to 68% (FY25) due to a temporary cost increase during the crossover to our new fixed-fee data supply agreement.
- New contract is a fixed annual cost which will provide us a significant scale benefit over the coming year.
- As ARR grows and the legacy contract phases out, we expect margins to improve.

> "Our new contract provides substantial margin expansion and platform cost predictability. The flat fee means that our costs will remain flat even as our revenue will scale."
>
> – KAREN CARGILL, CFO



Introducing Bebop

Pearl Diver proved that we can quickly develop products by leveraging our proprietary Pearl Engine. We also proved our go to market ability, with Pearl Diver quickly scaling to $10m ARR within eight quarters.

Building on that success and know-how, we've now officially launched our new product, Bebop in March 2025.

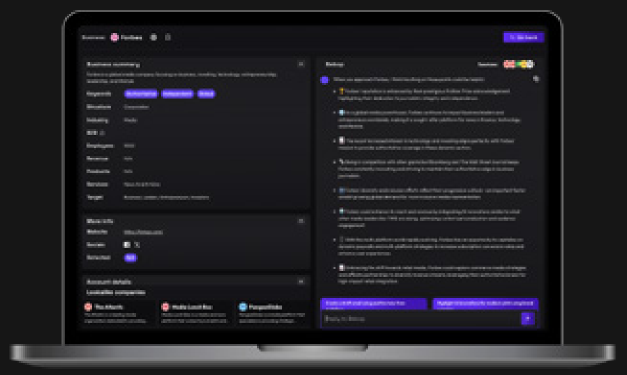
Bebop expands our product suite with a true AI sales agent purpose-built for SMEs. Bebop's platform is an augmented large language model that generates tailored sales strategies in seconds – giving businesses a clear edge in identifying and converting new customers.

Bebop is priced for rapid adoption, with a lower price point than Pearl Diver and minimal onboarding friction. This makes it an ideal entry product, particularly for smaller teams and new segments of the SME market.

With its official release, Bebop is expanding our reach to new decision-makers and unlocking additional revenue streams. It supports our broader platform strategy – allowing us to engage more of the SME market from multiple entry points and deepen product stickiness across teams.

During beta (FY25 Q4), Bebop delivered:

- **The strongest product-market fit we've seen to date.**
- **The fastest ARR growth in any beta cohort.**
- **Faster user ramp-up vs. Pearl Diver.**



"Helping business owners with saving on monthly billing expenses and generating customers"

"I believe Bebop is the future of developing leads for business with the assistance of AI. Its affordability and ease of use make it attractive."

"I have been using this tool for the past week. I'm loving it. This is coming from someone who looks through lists of leads with a magnifying glass! The value and simplicity is amazing. I believe in the product."

"With Bebop now live, we're expanding our reach and unlocking additional revenue streams. We've validated our ability to launch and scale multiple high-impact products quickly."

– NICK LISSETTE, CEO

Investing for growth

- Continue to invest at current rate
- Investment now expands future growth
- Pearl Diver tier expansion driving ARPU uplift
- Bebop marketing and launch investment underway
- Bebop ARR to begin contributing in FY26
- Gross margin expansion via new fixed-cost contract

$6.7m

Cash on hand as at 31 March 2025.

$4m

Undrawn non-dilutive banking facility.

"We are well-capitalised and supported by our banking partner, with resources in place to support continued product expansion and market growth."

– KAREN CARGILL, CFO

Cashflows

- $12.5m raised via oversubscribed private placement
- $6.7m cash on hand at 31 March 2025
- $4m undrawn loan facility available
- Funds deployed to accelerate product and GTM investment
- Progressing toward recurring cash profitability

Our Board

Blackpearl Group's Board combines global leadership, financial expertise, and deep US market experience.

Our Chair is the co-founder and current Chairman of Insight Enterprises, a Fortune 500 global IT solutions company listed on NASDAQ, employing over 10,000 people across 19 countries. Our Board members each bring over 25 years' experience across financial policy, governance, investment markets, and C-suite leadership, spanning New Zealand, Australia, Asia, and the United States.

MARK OSBORNE
DIRECTOR – NORTHLAND, NZ

Mark was appointed in November 2022. With over 25 years in asset management, governance, and financial policy, he has led major infrastructure and community projects across New Zealand. Mark chairs the Audit and Risk Committee and sits on the Remuneration Committee. He is recognised by the Board as an independent director.

TIM CROWN
CHAIRMAN – ARIZONA, USA

Appointed in January 2020, Tim is the co-founder and current Chairman of Insight Enterprises, a Fortune 500 global IT solutions provider listed on NASDAQ. With over 10,000 employees across 19 countries and US$9.2 billion in net sales (2023), Tim brings extensive scale-up experience and strategic vision to Blackpearl Group. He also holds leadership roles in multiple US-based growth-stage businesses and serves on both the Audit and Risk Committee and the Remuneration Committee. Tim is a non-independent director.

HUGO FISHER
DIRECTOR – AUCKLAND, NZ

Hugo joined the Board in July 2023. He brings deep global experience in institutional investment, private equity, and venture capital across New Zealand, Australia, Asia, and the United States. With a background in equity analysis and investor relations, Hugo offers valuable expertise in growth-stage capital markets and shareholder engagement.

NICK LISSETTE
DIRECTOR AND CHIEF EXECUTIVE OFFICER – WELLINGTON, NZ

Nick is the founder of Blackpearl Group and the architect behind the Pearl Engine. With a 20-year career in SaaS and AI innovation, he previously built and exited a successful anti-spam service before founding Blackpearl in 2012. Nick is a member of the New Zealand Institute of Directors and leads the company's strategic vision, product direction, and investor engagement.

JYLLENE MILLER
DIRECTOR – ARIZONA, USA

A strategic operator with 25+ years in revenue operations, go-to-market strategy, and SaaS leadership, Jyllene brings direct experience scaling US-based tech companies. Her career includes senior roles across enterprise technology and sales enablement, aligning perfectly with Blackpearl's market focus and expansion strategy.

Our Leadership Team

Blackpearl Group's executive team blends data, technology, marketing, and operations expertise – united by a common goal: to build transformative products that fuel SME growth and deliver shareholder value.

KAREN CARGILL
INTERIM CHIEF FINANCIAL OFFICER & CHIEF GOVERNANCE OFFICER

Karen leads financial strategy, capital management, and compliance. She has played a critical role in reshaping customer economics and guiding the business toward sustainable scale.

NICK LISSETTE
CHIEF EXECUTIVE OFFICER

Founder and architect of the Pearl Engine, Nick leads the company's strategic vision, product roadmap, and investor engagement.

SAM DAISH
CHIEF TECHNOLOGY OFFICER

With a deep background in data science and AI engineering, Sam leads platform architecture, data infrastructure, and R&D innovation across Blackpearl's product suite.

CHRISTIE KERNER
CHIEF OPERATING OFFICER

Based in the US, Christie leads global operations and go-to-market execution as Blackpearl scales across its core markets. With over 30 years of experience growing and operationalising high-performing teams, she brings deep expertise in aligning strategy with execution.

TORI COLEBOURNE
CHIEF MARKETING OFFICER

Tori drives brand, go-to-market and investor messaging. She has been instrumental in defining the Group's category narrative and demand-generation strategy.

FINANCIALS

Corporate Governance Statement

Blackpearl Group – FY25 Annual Report Corporate Governance Statement

Strong governance is fundamental to the performance of Blackpearl Group and the Board is ultimately responsible for ensuring that Blackpearl Group and its subsidiaries maintain high ethical standards and corporate governance practices.

Statement of compliance

Blackpearl Group is committed to enhancing investor confidence through good corporate governance practice and accountability. This corporate governance statement provides an overview of Blackpearl Group's governance framework and discloses Blackpearl Group's practices in relation to the recommendations contained in the NZX Corporate Governance Code (January 2025) (NZX Code). The information contained in this Corporate Governance Statement has been prepared in accordance with NZX Listing Rule 3.8.1(a) and is current as at 31 March 2025. The Board considers that for the 12 months ended 31 March 2025 (FY25), Blackpearl Group's corporate governance practices and policies have been appropriately aligned with the NZX Code. Any exceptions are identified throughout this document.

Principle 1:

Ethical Standards

"Directors should set high standards of ethical behaviour, model this behaviour and hold management accountable for these standards being followed throughout the organisation."

Recommendation 1.1 - Code of Ethics

Blackpearl Group maintains high standards of ethical behaviour by which the directors, employees, contractors for personal services and advisers of Blackpearl Group are expected to conduct themselves. These standards are described in Blackpearl Group's Code of Ethics. General principles within the Code of Ethics include (but are not limited to) requiring all directors and employees to:

- act honestly and uphold and maintain the highest standards of integrity;
- treat all stakeholders fairly and with respect and at all times act in the best interests of its shareholders, stakeholders and Blackpearl Group itself;
- give proper attention and care to the matters before them;
- ensure the proper receipt and use of corporate information, assets and property;
- complete and keep accurate accounting records and ensure company funds are managed and spent responsibly;
- declare conflict of interests and proactively advise of any potential conflicts;
- adhere to any procedures around giving and receiving gifts;
- ensure that their individual interests do not interfere, or appear to interfere, with the Company's interests; and
- comply with all applicable laws, rules, regulations and codes of practice

The Code of Ethics and where to find it will be communicated to Blackpearl Group's directors, employees, contractors as part of their initial and ongoing training. It is expected that Blackpearl Group's people have read and understand each of the ethical expectations as outlined in the Code.

Whistleblower Policy

Blackpearl Group encourages employees to speak out if they have concerns that the Company's policies have been breached, including any breach of ethics. The avenues for doing so are detailed in the Code of Ethics Policy which is available on https://www.blackpearl.com/investors.

Recommendation 1.2 - Financial Product Trading Policy

All directors and employees including secondees, contractors and consultants of Blackpearl Group and its subsidiaries are subject to Blackpearl Group's Financial Product Trading Policy, which outlines the prohibition on dealing in the Company's financial products while holding inside information.

In particular the policy provides that:

- Blackpearl Group's people are required to obtain consent before trading in any Blackpearl Group financial products.
- Blackpearl Group's people are highly unlikely to receive consent in a 'Black out Period'. A Black out Period is the period:
  - from the 1st day of the month of BPG's full year balance date, until two business days after the full year results are released to NZX;
  - from the 1st day of the month of BPG's half year balance date, until two business days after the half year results are released to NZX;
  - from the 15th day of the month prior to BPG's quarterly balance dates, until two (2) business days after the quarterly results are released to NZX; and
  - and any other period BPG specifies from time to time.

Details of matters entered into the Interests Register by individual Directors during FY25 are outlined on pages 37 and 38 of the annual report.

Corporate Governance

Principle 2:

Board Composition & Performance

"To ensure an effective Board, there should be a balance of independence, skills, knowledge, experience and perspectives."

Recommendation 2.1 - Board Charter

Blackpearl Group's Board Charter sets out the roles and responsibilities of the Board, under which the main functions of the Board are to:

- approve and monitor the strategic direction of Blackpearl Group recommended by management and add long-term value to Blackpearl Group's shares, having appropriate regard to the interests of all material stakeholders;
- monitor and review the performance of Management and the process for calculating fees and any performance incentive fees;
- approve and monitor Blackpearl Group's financial statements, corporate governance and other reporting and ensure the implementation of and adherence to Blackpearl Group's continuous disclosure policy;
- establish procedures and systems to promote a culture and remuneration practice within Blackpearl Group which facilitates the recruitment, professional development and retention of staff;
- ensure that the Company has appropriate risk management and regulatory compliance policies in place and monitor the integrity of those policies; and
- familiarise itself with issues of concern to Blackpearl Group's shareholders and significant stakeholders, including customers, staff, lessees and the community.

The roles and procedures of the Board, the Board structure and the different Board committees are described in Blackpearl Group's Board Charter.

Recommendation 2.2 - Nomination and appointment process

The nomination process for new Director appointments is the responsibility of the Board as a whole. In accordance with the NZX Listing Rules:

- the Board asks for Director nominations each year prior to the Annual Shareholders' Meeting;
- Directors will retire at least every three years and may stand for re-election by shareholders; and
- a Director appointed since the previous Annual Shareholders' Meeting holds office only until the next Annual Shareholders' Meeting but is eligible for re-election at that meeting.

Newly elected Directors are expected to familiarise themselves with their obligations under the constitution, Board Charter and the NZX Listing Rules.

The Board believes the current Directors offer valuable skill sets and experience to Blackpearl Group and that each Director has the necessary time available to devote to the position.

Recommendation 2.3 - Letters of Appointment

All Directors have entered into a written agreement with Blackpearl Group. The agreement outlines their appointment terms, role requirements, time commitments, remuneration and indemnity and insurance arrangements.

Recommendation 2.4 - Director Details

The details of each Director along with their experience, length of service, independence, ownership interests and attendance at Board meetings are included in this Annual Report. Director profiles are also available to view on Blackpearl Group's website at https://www.blackpearl.com/investors

Interests Register

Directors are required to notify Blackpearl Group of any interests they have that could impact an assessment of their independence or their ability to act in the best interests of Blackpearl Group. Blackpearl Group has processes in place to manage any conflicts of interest with Directors who are interested in a matter. The processes around maintaining the director's interests register are detailed in the Board Charter.

Recommendation 2.5 - Diversity

Blackpearl Group is committed to bringing diversity to life in its employment practices and across all aspects of the business. For Blackpearl Group, diversity includes but is not limited to characteristics such as cultural background and ethnicity, gender identity, sexual orientation, age, differences in physical abilities, languages and education.

Blackpearl Group's approach to diversity is outlined in the Diversity Policy which sets out how the Company will meet its commitment to creating a diverse workforce and inclusive workplace environment.

For the 12 months ended 31 March 2025, the Board is comfortable that Blackpearl Group's employment practices and Human Resources (HR) processes and practices were in line with the intent of its Diversity Policy.

As at 31 March 2025, females represented 50% of Directors and officers of Blackpearl Group. Blackpearl Group has 51 employees of which 65% are male and 35% are female.

The following table outlines the gender composition of Directors and officers as at 31 March 2025:

	As at 31 March 2025		As at 31 March 2024	
	Directors	Executive Team	Directors	Executive Team
Male	4	1	4	2
Female	1	4	1	3
Total	5	5	5	5

Recommendation 2.6 - Director Training

Blackpearl Group encourages all Directors to undertake appropriate training and education so that they may best perform their duties, including engaging external expert advisers at the Company's cost and encouraging Directors to engage in the business.

Recommendation 2.7 - Director Performance

The Board Charter regulates the performance assessment process of the Board, its committees and Directors. Blackpearl Group continues to invest in ensuring its Board has the optimum mix of skills, experience and independence required for executing Blackpearl Group's growth strategy. An external performance review may be conducted if required.

Recommendation 2.8 - Director Independence

As at 31 March 2025, the Board comprised of the following five Directors:

Tim Crown	Non-Independent Non-Executive Director and Chair	Appointed 2 January 2020
Nick Lissette	Non-Independent Executive Director and CEO	Appointed 25 October 2012
Mark Osborne	Independent Non-Executive Director	Appointed 24 November 2022
Hugo Fisher	Independent Non-Executive Director	Appointed 18 July 2023
Jyllene Miller	Independent Non-Executive Director	Appointed 10 September 2024

The Board considers three of the five Blackpearl Group's Directors to be independent for the purposes of the NZX Listing Rules, being Mark Osborne, Hugo Fisher and Jyllene Miller. In order for a Director to be independent, the Board must determine that he or she is not an executive of Blackpearl Group and has no disqualifying relationship or interests, including relationships or interests of the kind listed in Recommendation 2.4 of the NZX Code. Accordingly, the Board has determined that Tim Crown and Nick Lissette are non-independent Directors.

Recommendation 2.9 - Independent Chair of the board

Blackpearl Group's Chair is a Non-Executive Director who is elected by the Directors. Although the Chair of the Board is not independent (and Blackpearl Group has not followed Recommendation 2.9 of the NZX Code since listing), the Board considers that for the size and structure of the Company, an independent Chair is not required at this time.

Recommendation 2.10 - The Chair and the CEO should be different people

Blackpearl Group's Chair and CEO are different people.

Corporate Governance

Principle 3:

Board Committees

"The Board should use Committees where this will enhance its effectiveness in key areas, while still retaining Board responsibility."

Recommendation 3.1 - Audit and Risk Committee

The Board has established an Audit and Risk Committee to act as a delegate of the Board on financial reporting, internal control and risk management issues. The Audit and Risk Committee is responsible for:

- assisting the Board in carrying out its responsibilities concerning accounting practices, policies and controls relative to the Company's financial position;
- making appropriate enquiries into any audit of Blackpearl Group's financial statements, including providing the Board with additional assurance about the quality and reliability of any financial information issued publicly by Blackpearl Group from time to time;
- reviewing the operation and effectiveness of Blackpearl Group's internal controls and risk management practices in consultation with senior management (see Principle 6: Risk Management below);
- providing an avenue of communication between auditors and Directors, particularly in relation to financial reporting and risk management matters; and
- otherwise maintaining Blackpearl Group's relationship with external auditors (see Principle 7: Auditors below).

The Committee operates under the Audit and Risk Committee Charter. The majority of the Audit and Risk Committee are independent Directors and is comprised of Mark Osborne (Chair), Tim Crown and Hugo Fisher (all non-executive Directors). The Chair, Mark Osborne, an independent director, is not the chair of the Board and has a financial background.

Recommendation 3.2 - Meeting Attendance by Non-Committee Members

Non-executive Directors who are not members of the Audit and Risk Committee are able to attend the committee meetings as they wish. Employees (including Executive Directors) may only attend those meetings at the invitation of the committee.

Recommendation 3.3 - Remuneration Committee

The Board has established a Remuneration Committee to oversee and promote Blackpearl Group's Remuneration Policy and remuneration practices to the Board. For the avoidance of doubt, the Committee does not make recommendations as to director appointments to the Board. The Remuneration Committee is responsible for:

- reviewing and recommending to the Board for approval Blackpearl Group's Remuneration Policy and packages for Directors and senior managers;
- ensuring the structure of Blackpearl Group's Remuneration Policy allows Blackpearl Group to attract and retain Directors and senior managers of sufficient caliber to facilitate the efficient and effective governance and management of Blackpearl Group;
- ensuring all remuneration procedures are followed for Directors; and
- reviewing and recommending to the Board measurable objectives for improving diversity in accordance with Blackpearl Group's Diversity Policy.

The Committee operates under the Remuneration Committee Charter. The majority of the members of the Remuneration Committee are independent directors, and is comprised of Mark Osborne (Chair), Hugo Fisher and Tim Crown.

Non-executive Directors who are not members of the Remuneration Committee are able to attend the committee meetings as they wish. Under the Remuneration Committee Charter, management (including Executive Directors) can only attend the Remuneration Committee meetings at the invitation of the Board. Executive Directors do not participate in deliberations relating to their own remuneration.

Recommendation 3.4 - Nomination Committee

Given Blackpearl Group's size and structure the Company does not have a standalone nomination committee (and has not had one since listing), however as advised under Principle 2 above, the nomination process for new Director appointments is the responsibility of the Board as a whole. The Directors' selection is based on the value they bring to the Board table including their skills, knowledge and experience to contribute to effective direction of Blackpearl Group, whether they can exercise an informed judgement on matters which come to the Board and whether they are free of any business or other relationship that may interfere with the exercise of that judgement. The composition of the Board is reviewed regularly to ensure the Board maintains an appropriate balance of skills, experience and expertise.

The Board evaluates all nominations of Directors, and consider whether they would be independent, and may recommend candidates to Shareholders.

Recommendation 3.5 – Other Board Committees

The board charter enables the Board to establish other committees, as required from time to time. The two established committees are the Audit and Risk Committee and the Remuneration Committee, each with its own charter. The Board retains ultimate responsibility for the functions of its committees and determines their responsibilities.

Director Meeting Attendance

For the year ended 31 March 2025, eight formal Board meetings were held and regular informal video and/or phone conferences have been used as required. The table below sets out Director attendance at Board and Committee meetings during FY25. Jyllene Miller was only appointed as a Director on 10 September 2024:

	Board Meetings	Audit and Risk Committee	Remuneration Committee
Total number of meetings held	**8**	**2**	**3**
Tim Crown	6	2	3
Nick Lissette	8	2	3
Mark Osborne	8	2	3
Hugo Fisher	8	2	2
Jyllene Miller	5	2	-

Recommendation 3.6 - Takeover Protocols

In the case of a takeover offer (or similar), Blackpearl Group will form an independent Board Committee to oversee a response to the offer and engage expert legal and financial advisors to provide advice and ensure compliance with applicable law.

Principle 4:

Reporting & Disclosure

"The Board should demand integrity in financial and non-financial reporting, and in the timeliness and balance of corporate disclosures."

Recommendation 4.1 - Continuous Disclosure

The Board focuses on providing accurate, adequate, and timely information both to its shareholders and to the market generally. This enables all investors to make informed decisions about Blackpearl Group. All significant announcements made to NZX, and reports issued, are posted on Blackpearl Group's website.

Blackpearl Group's Continuous Disclosure Policy governs the responsibilities and procedures for releasing material information to the market to ensure compliance under the NZX Listing Rules so that:

- all investors have equal and timely access to material information concerning Blackpearl Group, including its financial situation, performance, ownership and governance; and
- company announcements are factual and presented in a clear and balanced form.

Accountability for compliance with disclosure obligations is with the Chair and the Chief Executive Officer. Significant market announcements, including the preliminary announcement of the quarterly, half year and full year results, the accounts for those periods and any advice of a change in earnings forecast are approved by the Board.

Recommendation 4.2 - Key Governance Documents

Copies of the key governance documents, including the Continuous Disclosure Policy, Code of Ethics, Financial Products Trading Policy and Board and Committee Charters and Policies are available on Blackpearl Group's website at https://www.blackpearl.com/investors

Recommendation 4.3 - Financial Reporting

The Board is responsible for ensuring:

- that the financial statements give a true and fair view of the financial position of Blackpearl Group;
- that the financial statements have been prepared using appropriate accounting policies;
- that the accounting policies have been consistently applied and supported by reasonable judgements; and
- that all relevant financial reporting and accounting standards have been followed.

Corporate Governance

The Audit and Risk Committee oversees the quality and integrity of external financial reporting, including the accuracy, completeness, balance and timeliness of financial statements. It reviews Blackpearl Group's full and, when available, quarterly and half year financial statements and makes recommendations to the Board concerning accounting policies, areas of judgement, compliance with accounting standards, stock exchange and legal requirements, and the results of the external audit.

All matters required to be addressed, and for which the Committee has responsibility, were addressed during the reporting period.

For the 12 months ended 31 March 2025, the Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of Blackpearl Group and facilitate compliance with the Companies Act 1993 and the Financial Markets Conduct Act 2013.

Senior management has confirmed in writing to the Board that Blackpearl Group's external financial reports present a true and fair view in all material aspects. Blackpearl Group's full year financial statements are available on Blackpearl Group's website.

Recommendation 4.4 - Non-Financial Reporting

Blackpearl Group is committed to using its resources responsibly and will look for opportunities to reduce any negative environmental risk or impact from business operations, products and services. The Board encourages diversity and will not knowingly participate in business situations where Blackpearl Group could be complicit in human rights and labour standard abuses.

Blackpearl Group discusses its non-financial objectives and its progress against these objectives in the Chair and senior management's commentary in shareholder reports, (since January 2024) in quarterly updates, and at other investor events during the year including investor presentations and the Annual Shareholders' Meeting.

Given Blackpearl Group's size, the Board has elected not to adopt a formal environmental, social and governance framework. The Company remains aware of changes to non-financial reporting standards, particularly changes to climate-related disclosures.

Principle 5:

Remuneration

"The remuneration of Directors and Executives should be transparent, fair and reasonable."

Recommendation 5.1 - Remuneration of Directors

Under the NZX Listing Rules, Shareholders fix the total remuneration available for Directors. Approval is sought for any increase in the pool available to pay Directors' fees, and any recommendations to shareholders regarding Director remuneration are provided for approval in a transparent manner. The current Director fee pool was set pre-listing in 2022 and disclosed in Blackpearl Group's Listing Profile. Blackpearl Group believes the current fees are set at a fair market rate.

Blackpearl Group's Remuneration Policy is in line with best practice guidelines from the New Zealand Institute of Directors. The Remuneration Committee is responsible for reviewing and recommending Directors' remuneration to the Board for approval.

Non-executive Directors are entitled to be reimbursed for costs directly associated with carrying out their duties, including travel costs. Board policy is that no sum is paid to a non-executive Director upon retirement or cessation of office.

Further detail on the Director fees and individual Director remuneration breakdown can be found on page 34 of the Annual Report.

Recommendation 5.2 - Remuneration of Executives

Executive remuneration consists of a salary (including KiwiSaver contributions from Blackpearl Group) and ability to participate in the Key Personnel Restricted Share Unit Plan (as well as the ability to participate in any new employee share rights scheme that Blackpearl Group puts in place).

The Remuneration Committee is responsible for reviewing and recommending senior managers' remuneration to the Board for approval. The Board believes senior management remuneration is fair and reflects the performance requirements and expectations of the role.

More information on executive remuneration, including entitlements, is set out on page 35 of the Annual Report.

Recommendation 5.3 – CEO Remuneration

The current CEO remuneration is set out on page 35 of the annual report.

Principle 6:

Risk Management

"Directors should have a sound understanding of the material risks faced by the issuer and how to manage them. The Board should regularly verify that the issuer has appropriate processes that identify and manage potential and material risks."

Recommendation 6.1 – Risk Management Framework

Blackpearl Group is committed to managing risks proactively. The Audit and Risk Committee assists the Board in carrying out its risk management responsibilities by providing additional oversight regarding Blackpearl Group's risk management framework and monitoring compliance with that framework.

The Board delegates day to day management of the risk management framework to senior management. The executive team and senior management maintain a risk register identifying the material risks facing the Company and how Blackpearl Group will manage them. This is reported to the Board on a regular basis and is reviewed by the Board to ensure that it reflects any developments and growth in the business. The Board is satisfied that Blackpearl Group has in place a risk management process to identify, manage effectively and monitor Blackpearl Group's principal risks. Blackpearl Group maintains insurance policies that it considers adequate to meet its insurable risks.

Recommendation 6.2 - Health and Safety

Given the nature of Blackpearl Group's business and size, Blackpearl Group does not have a dedicated Health and Safety committee. The Board, however, is mindful that Blackpearl Group's People are exposed to mental health, stress and wellbeing risks. To ensure the mitigation of these risks, Blackpearl Group strives to create a positive and thriving company culture and offer competitive remuneration and incentive packages for its employees and contractors.

Principle 7:

Auditors

"The Board should ensure the quality and independence of the external audit process."

Recommendation 7.1 - External Auditors

The Audit and Risk Committee Charter governs the Board's relationship with its external auditors. Blackpearl Group's compliance with the Audit and Risk Committee Charter ensures that:

- audit independence is maintained, both in fact and appearance, such that Blackpearl Group's external financial reporting is viewed as being reliable and credible; and
- free and open communication between the Directors and external auditors is maintained.

In relation to Blackpearl Group's relationship with external auditors, the Audit and Risk Committee is responsible for:

- reviewing and enquiring into Blackpearl Group's financial statements, including providing the Board with additional assurance about the quality and reliability of any financial information issued publicly by the Company from time to time;
- approving the auditor's engagement letter and setting audit fees;
- pre and post audit meetings, including any meetings with auditors or senior management as required;
- reviewing the Company's annual audit plan and audit timetable;
- reviewing the management letter, auditor performance and ensuring rotation of the audit partner; and
- approving any non-audit engagements performed by the audit firm.

For FY25, William Buck Audit (NZ) Limited was the external auditor for Blackpearl Group. William Buck was first appointed as auditor on 10 February 2023. Rotation of the audit partner occurs every five years.

All audit work at Blackpearl Group is separated from non-audit services, to ensure that appropriate independence is maintained. William Buck provided only audit work in FY25. The amount of fees paid to William Buck during FY25 is identified on page 63.

William Buck has provided the Audit and Risk Committee with written confirmation that, in its view, it was able to operate independently during the year.

Recommendation 7.2 - Auditor attendance at the Annual General Meeting

William Buck is available to attend each Annual Meeting of the Company (either virtually or in person), and the Audit Director is available to answer questions from shareholders at that Meeting.

Recommendation 7.3 - Internal Audit

Due to Blackpearl Group's size and current position, Blackpearl Group does not have a dedicated internal auditor role. Blackpearl Group does have an Audit and Risk Committee for educating and improving internal risk processes. As the Company grows, it will consider further resources in this area.

Principle 8:

Shareholder Rights & Relations

"The Board should respect the rights of shareholders and foster constructive relationships with shareholders that encourage them to engage with the issuer."

Recommendation 8.1 - Access to Information

Blackpearl Group is committed to ensuring that its shareholders are kept up to date with key activities and are provided with relevant information about the Company and its performance. The Company communicates with shareholders during the financial year through annual, half year and quarterly reports and at the Annual Shareholders' Meeting.

Blackpearl Group maintains an investor relations section on the company's website available to access at https://www.blackpearl.com/investors. This provides access to key corporate governance documents, copies of all major announcements, company reports and presentations.

Recommendation 8.2 - Investor Communication

Written communications and reports are available to be viewed on the Blackpearl Group's website, as well as emailed to shareholders that elect to be emailed.

NZX announcements are also available on the NZX website https://www.nzx.com/companies/BPG/announcements.

In addition to shareholders, Blackpearl Group has a wide range of stakeholders and maintains open channels of communication for all audiences, including the investing community and product partners.

Recommendation 8.3 - Voting on Major Decisions

In accordance with the NZX Listing Rules, shareholders have the right to vote on major decisions which may change the nature of Blackpearl Group. Each shareholder has one vote per share and voting is conducted by polls.

Recommendation 8.4 - Additional Equity Offers

On 4 October 2024, Blackpearl Group announced a $10 million equity raise (with the ability to accept oversubscriptions) under a private placement (Placement) and Share Purchase Plan (SPP). The Placement was oversubscribed following strong demand, and Blackpearl Group raised approximately $10.5 million under the Placement and $2 million in the SPP.

Blackpearl Group elected to undertake these offer structures having regard to the costs associated with the structures, the market conditions preceding the offers and, in light of Blackpearl Group's direct listing and its concentrated shareholder base, a desire to diversify its share register to promote increased support for Blackpearl Group and, by extension, increased liquidity. Blackpearl Group sought to maximise the opportunity for existing institutional and high net worth shareholders to participate in the Placement by giving them reasonable notice of, and the ability to participate in, the Placement. Retail investors, including existing Blackpearl Group shareholders, had an opportunity to participate in the Placement through allocations to leading New Zealand broking firms. The SPP was scaled on a proportionate basis by reference to the number of Blackpearl Group shares held by applicants on the record date.

Blackpearl Group's allocation statement on the Placement can be found in the Company's announcement dated 18 October 2024 at https://www.nzx.com/companies/BPG/announcements.

Should Blackpearl Group consider raising additional capital, Blackpearl Group will structure the offer having regard to likely levels of shareholder participation and optimising and enhancing the ability to maximise the level of capital raised. When practical, the Board will look to give all existing shareholders an opportunity to participate in any capital raising.

Recommendation 8.5 - Notice of Meetings

Blackpearl Group will hold its annual meeting of Shareholders in August 2025. Blackpearl Group will aim to provide at least 20 working days of the notice of the Annual Shareholders' Meeting, which will be posted on Blackpearl Group's website, announced on the NZX and sent to shareholders prior to the meeting.

Additional Statutory Information

Additional Statutory Information

Remuneration

Remuneration of Directors

The overall director fee pool (the total fees available for payment to Directors in their capacity as Directors) was set pre-listing in 2022 at a maximum of NZ$320,000 per annum. Under Listing Rule 2.11.3, where there is an increase in the number of Directors, the Board may increase the overall director fee pool to enable the additional Director(s) to be paid no more than the average amount then being paid to each non-executive Director (other than the Chair). The Board may allocate the Director fee pool among the Directors as the Board sees fit from time to time.

During FY25, the Director fee pool was allocated as follows:

- NZ$180,000 per annum to the role of Chair; and
- NZ$70,000 per annum to each other Director (other than executive directors).

In order to preserve cash in Blackpearl Group and align (or further align) the interests of the non-executive directors with Blackpearl Group, the Board and each non-executive Director agreed for Blackpearl Group to make:

- a one-off issue of restricted shares to the non-executive Directors expected to be in office as at 1 December 2022 in part or full payment of Director fees for the period from 1 December 2022 to 30 November 2024. Such restricted shares were issued before listing on 29 November 2022;
- a one-off issue of restricted shares to Hugo Fisher prior to his appointment as a non-executive Director in part payment of Director fees for the period from 18 July 2023 to 17 July 2025. Such restricted shares were issued from Blackpearl Group's placement capacity on 17 July 2023, before Hugo Fisher was appointed as a Director; and
- a one-off issue of restricted shares to Jyllene Miller prior to her appointment as a non-executive Director in part payment of Director fees for the period from 10 September 2024 to 9 September 2026. Such restricted shares were issued from Blackpearl Group's placement capacity on 9 September 2024, before Jyllene Miller was appointed as a Director.

Since 1 December 2024, Directors have had an option to receive their Director fees as equity securities, in whole or in part. Tim Crown has elected to receive ordinary shares in lieu of cash payment of Director fees for the period from 1 December 2024 to 30 November 2025. The ordinary shares will be issued to Tim at the end of the period (on 1 December 2025) in accordance with NZX Listing Rule 4.7 (Issues to Directors as Remuneration). Except as stated in this section, Directors receive their Director fees in cash.

Restricted Shares

The restricted shares issued to Tim Crown and Mark Osborne have an issue price of NZ$1.25 per restricted share, the restricted shares issued to Hugo Fisher have an issue price of NZ$0.42 per restricted share and the restricted shares issued to Jyllene Miller have an issue price of NZ$1.00 per restricted share, but in each case were issued to the relevant directors as fully paid for nil consideration. Each restricted share has the same terms as the Shares in the Company (and rank equally with Shares in respect of a liquidation of the Company and the payment of dividends) except that the restricted shares:

- are not transferable;
- automatically convert into Shares in accordance with the following terms:
  - half convert (or converted) on the one year anniversary date of the issue date of the applicable restricted shares; and
  - half will convert (or converted) on the two year anniversary date of the issue date of the applicable restricted shares; and
- can be redeemed by the Company for a total sum of NZ$1.00 in aggregate for all of a director's restricted shares then on issue if the relevant director ceases to stay in office at any time before the two year anniversary date of the issue date of the applicable restricted shares.

Former Director, Cherryl Pressley, had 24,000 restricted shares redeemed by the Company for a total sum of NZ$1.00 on 18 September 2024, after Cherryl Pressley ceased to be a Director.

Director Remuneration

The table below sets out the total of the remuneration and the value of other benefits received by each Director or former Director during the financial year to 31 March 2025. The Board Charter provides that no sum is paid to any non-executive Director upon retirement or cessation of office.

Director	Board Fees[1]	Other Benefits	Toatal FY25	Date Appointed
Timothy Crown	NZ$180,000[2]		NZ$180,000	Appointed 2 January 2020
Nick Lissette	-	NZ$772,588	NZ$772,588[3]	Appointed 25 October 2012
Mark Osborne	NZ$70,000[4]	-	NZ$70,000	Appointed 24 November 2022
Hugo Fisher	NZ$70,000[5]	-	NZ$70,000	Appointed 18 July 2023
Jyllene Miller	NZ$40,833[6]	-	NZ$40,833	Appointed 10 September 2024
Cherryl Pressley (Resigned 10 September 2024)	NZ$20,000[7]	NZ$158[7]	NZ$20,158	-
Total	**NZ$380,833**	**NZ$772,746**	**NZ$1,153,579**	

1. The board does not pay committee fees
2. For the period from 1 April 2024 to 30 November 2024, Tim Crown was issued fully paid restricted shares in lieu of cash payment of Director fees as part of the Director remuneration package as described above. For the period from 1 December 2024 to 31 March 2025, Timothy Crown will be issued ordinary shares at the end of the period at which the remuneration is payable (being on or after 1 December 2025) in lieu of cash payment of Director fees in accordance with NZX Listing Rule 4.7 (Issues to Directors as Remuneration). The value of the restricted shares and ordinary shares is NZ$180,000 for the FY25 period.
3. During the FY25 period, Nick Lissette received NZ$478,743 as the CEO of Blackpearl Group, NZ$170,000 in cash as part of a Short-Term Incentive and a value of NZ$123,845 from the Key Personnel RSU Plan.
4. For the period from 1 April 2024 to 30 November 2024, Mark Osborne was issued fully paid restricted shares in lieu of cash payment of Director fees as part of the Director remuneration package as described above. The value of the restricted shares is NZ$20,000 for the FY25 period, with the remaining remuneration for Director fees payable to Mark Osborne in cash.
5. For the period from 1 April 2024 to 31 March 2025, Hugo Fisher was issued fully paid restricted shares in lieu of part of the cash payment of Director fees as part of the Director remuneration package as described above. The value of the restricted shares is NZ$30,000 for the FY25 period, with the remaining remuneration for Director fees payable to Hugo Fisher in cash.
6. For the period from 10 September 2024 to 31 March 2025, Jyllene Miller was issued fully paid restricted shares in lieu of part of the cash payment of Director fees as part of the Director remuneration package as described above. The value of the restricted shares is NZ$17,500 for the FY25 period, with the remaining remuneration for Director fees payable to Jyllene Miller in cash.
7. For the period from 1 April 2024 to 9 September 2024, Cherryl Pressley received a salary for her role as the CRO of Blackpearl Group.

Additional Statutory Information

Employee Remuneration

Executive Remuneration Framework

Blackpearl Group's executive remuneration policies and practices are designed to attract, retain and motivate high calibre people. The Board has reviewed executive remuneration with the assistance of external independent advice. Executive remuneration comprises a fixed component and, as at 31 March 2025, there is a pre-listing employee share rights scheme (Pre-Listing Share Rights Scheme) and a Key Personnel Restricted Share Unit Plan, under which Blackpearl Group has granted current or former employees and independent contractors rights to Shares.

Pre-Listing Share Rights Scheme

Under the Pre-Listing Share Rights Scheme, current and former employees and independent contractors were granted rights to Shares either:

- after completing specified periods of service (the period of time varies, but typically the service length is two years and share rights vest in two tranches, with 50% of share rights vesting after 12 months and the remaining 50% vesting after 24 months); or
- as recognition for performed services.

Once vested, the share rights are held in trust for the current or former employee, director or independent contractor until the employee, Director, or independent contractor requests in writing that the Share is issued or transferred to them, or Blackpearl Group notifies the employee, director or independent contractor in writing that the Share will be issued or transferred to them. Once vested, each share right is able to be exercised for one ordinary Share. The exercise price is nil per Share. The share rights have no expiry date. Before notice is given by either party, the Shares are not issued and the share rights carry no voting rights, no right to the payment of dividends and no rights on liquidation of the Company.

Key Personnel Restricted Share Unit Plan

On 17 June 2024, Blackpearl Group introduced the Key Personnel Restricted Share Unit (RSU) Plan (Key Personnel RSU Plan). Under the Key Personnel RSU Plan, select employees of Blackpearl Group are granted RSUs as recognition for services performed during the individual's term of employment. Provided that any vesting conditions and timetable as specified in the employee's letter of invitation are met and the exercise price (if any) is paid, each RSU may convert into an ordinary Share in Blackpearl Group on a one-for-one basis. Ordinary shares issued on conversion will rank equally with all other fully paid ordinary shares on issue.

The RSUs will lapse when an employee ceases employment with Blackpearl Group and at the expiry date as specified in the employee's letter of invitation.

CEO/Executive Director Remuneration Disclosure

Nick Lissette is the CEO as at 31 March 2025. He did not receive any remuneration in his capacity as a Director but was remunerated as CEO as per the table below. The CEO's remuneration is reviewed annually by the Remuneration Committee and approved by the Board.

Executive Director/CEO	Salary	Short-Term Incentive*	Key Personnel RSU Plan **	Total Remuneration
Nick Lissette	NZ$478,743	NZ$170,000	NZ$123,845	NZ$772,588

* Under Nick Lissette's Short-Term Incentive during FY25, NZ$170,000 was earned and paid in cash. The Remuneration Committee amended the criteria for the Short-Term incentive during FY25 due to changes in the Company's key value drivers, and, as a result, it is not accurate to state the amount earned as a percentage of the maximum award available in FY25.

** 500,000 RSUs were awarded to Nick Lissette on 1 July 2024 at a market price of NZ$0.67 per RSU as at the date of award. 250,000 RSUs lapsed during FY25. 125,000 RSUs vested in FY25 (of the 125,000 RSUs, 76,250 RSUs were converted into ordinary Shares and 48,750 RSUs were forfeited to net settle tax paid by the Company on behalf of the employee in respect of the conversion). The balance of RSUs yet to be vested as at 31 March 2025 is 125,000 RSUs.

Employee Remuneration

The table below shows the number of current and former employees of the Company (not being Directors of the Company) who received remuneration and other benefits, including non-cash benefits and share-based remuneration, in their capacity as employees during the year ended 31 March 2025 that in value was or exceeded NZ$100,000 per annum.

Remuneration	FY25 No. of Employees	FY24 No. Of Employees
NZ$100,001 - NZ$110,000	1	2
NZ$120,001 - NZ$130,000	2	1
NZ$130,001 - NZ$140,000	-	3
NZ$140,001 - NZ$150,000	1	1
NZ$150,001 - NZ$160,000	1	2
NZ$160,001 - NZ$170,000	2	1
NZ$170,001 - NZ$180,000	3	1
NZ$180,001 - NZ$190,000	2	3
NZ$190,001 - NZ$200,000	-	1
NZ$200,001 - NZ$210,000	2	1
NZ$210,001 - NZ$220,000	1	-
NZ$220,001 - NZ$230,000	-	2
NZ$230,001 - NZ$240,000	1	-
NZ$250,001 - NZ$260,000	3	-
NZ$260,001 - NZ$270,000	-	1
NZ$270,001 - NZ$280,000	-	1
NZ$300,001 - NZ$310,000	1	-
NZ$310,001 - NZ$320,000	1	-
NZ$320,001 - NZ$330,000	1	-
NZ$380,001 - NZ$390,000	1	-
NZ$400,001 - NZ$410,000	1	-

Disclosures

Directors

The following persons were Directors of Blackpearl Group as at 31 March 2025:

Director	
Tim Crown	Non-independent Non-Executive Director and Chair
Nick Lissette	Non-independent Executive Director and CEO
Mark Osborne	Independent Non-Executive Director
Hugo Fisher	Independent Non-Executive Director
Jyllene Miller	Independent Non-Executive Director

Cherryl Pressley resigned as a Director on 10 September 2024.

Additional Statutory Information

Disclosure Of Interest By Directors

In accordance with Section 140(2) of the Companies Act 1993, the Company maintains an interests register in which Directors' interests are recorded. The following are particulars of general disclosures of interest by Directors holding office at 31 March 2025. Particulars of entries made during the year to 31 March 2025 are noted in brackets, for the purposes of section 211(1)(e) of the Companies Act 1993.

Director	Name of Business or Entity	Nature and Extent of Interest
Tim Crown*	Black Pearl Group Limited	Chairman/Director/Shareholder
	Black Pearl Mail, Inc	Director
	Crown BP Holdings, LLC	Director/Shareholder
	Insight Enterprises, Inc	Chairman/Director/Shareholder
	Prospect Desk, LLC	Shareholder
	Trovo Data Holdings, Inc	Director/Shareholder
	Ohana Farm, LLC	Shareholder
Nick Lissette	Black Pearl Group Limited	Director/Shareholder/CEO
	Black Pearl Mail, Inc	Director
	Newoldstamp Limited	Director
	(Bebop AI Limited)	(Director)
	The Better Wine Company New Zealand Limited	Director/Shareholder
	NJL Limited	Director/Shareholder
	Nicholas John Lissette and Karen Islay Cargill as Trustees of the Per Aspera Ad Astra Trust	Trustee
Mark Osborne	Black Pearl Group Limited	Director/Shareholder
	Noir Perle Limited	Director
	Doubtless Beauty Limited	Director/Shareholder
	Doubtless Consulting Limited	Director/Shareholder
	Northland Inc Limited	Director
	Top End Tours Limited	Director/Shareholder
	FLGX BOI Limited	Director/Shareholder
	Te Ahu Charitable Trust	Director
Hugo Fisher	Black Pearl Group Limited	Director/Shareholder
	Golden Horse Minerals	Shareholder
	Greenmount Capital Limited	Managing Director
Jyllene Miller	(Concentrix Corporation)	(Shareholder)
	(TD Synnex)	(Shareholder)

* Tim Crown (including through entities of which he controls or has significant influence) holds an extensive investment portfolio in a large number of enterprises globally. This investment portfolio includes both passive and active investments. Standing entries in the interests register are included for Mr. Crown's principal interests and any other interests which are considered potentially relevant to his role as a director of the Company. Due to the extent and changing nature of Mr. Crown's investment portfolio, it is impractical to include entries for each investment in the portfolio (which are generally irrelevant to the Company in any event). The Board reviews the interests register at every Board meeting to ensure that any interests relevant to the Company are included in the interests register in accordance with the Companies Act 1993.

Director's Share Dealings

In accordance with the Companies Act 1993 between 1 April 2024 and 31 March 2025. The Board received the following disclosures from Directors of acquisitions and dispositions of relevant interests in shares issued by the Company and details of such dealings were entered in the Company's interests register.

Director	Transaction	Number of Securities	Price per Security	Date
Tim Crown	Ordinary Shares issued on conversion of Restricted Shares	144,000	NZ$1.25	2 December 2024
Nick Lissette	Ordinary Shares issued on conversion of Restricted Share Units	76,250	NZ$0.85	19 February 2025
Mark Osborne	Ordinary Shares issued on conversion of Restricted Shares	24,000	NZ$1.25	2 December 2024
Hugo Fisher	Ordinary Shares issued on conversion of Restricted Shares	71,429	NZ$0.42	18 July 2024
Jyllene Miller	Restricted Shares issued	60,000	NZ$1.00	9 September 2024

Director's Shareholdings Interests

As at 31 March 2025 the Directors of the Company had the following relevant interests in the Company's Ordinary Shares, Restricted Shares, Warrants and RSUs under the Key Personnel RSU Plan.

Director	Legal Ownership or other Nature of the Interest	Ordinary Shares	Restricted Shares	Warrants*	RSUs
Tim Crown	Registered holder and beneficial owner of Ordinary Shares. Has the power to control the exercise of the rights attaching to the Ordinary Shares and Warrants held by Crown BP Holdings, LLC by virtue of being a member of Crown BP Holdings, LLC's manager Anchor Management, LLC. Has the power to exercise, or control the exercise of, the right to vote attached to 20% or more of the voting products of Ohana Farms, LLC, and so has a relevant interest in the Ordinary Shares held by Ohana Farms, LLC	7,945,503	-	1,787,629	-

Director	Legal Ownership or other Nature of the Interest	Ordinary Shares	Restricted Shares	Warrants*	RSUs
Nick Lissette	Has a relevant interest in the Ordinary Shares and RSUs held by Nick Lissette and Karen Cargill as trustees of the Per Aspera Ad Astra Trust (a family trust associated with Nick Lissette), as Nick Lissette, together with independent trustee Karen Cargill, has the power to control the exercise of the rights attaching to such shares.	2,573,205	-	-	125,000
Mark Osborne	Beneficial owner of Ordinary Shares.	55,955	-	-	-
Hugo Fisher	Registered holder of Ordinary Shares and Restricted Shares.	71,429	71,428	-	-
Jyllene Miller	Registered holder and beneficial owner of Restricted Shares.	-	60,000	-	-

* Each Warrant entitles Crown BP Holdings, LLC the right to purchase one Share at an exercise price of $0.01 per Warrant. The Warrants can be exercised from 24 May 2023 and will expire on 24 May 2028.

Use of Company Information

There were no notices from Directors of the Company pursuant to section 145 of the Companies Act 1993 requesting to use Company information received in their capacity as directors that would not otherwise have been available to them.

Subsidiary Company Directors

The following persons held office as Directors of subsidiary companies as at 31 March 2025. No directors fees were paid to Directors of subsidiary entities.

Company	Directors
Newoldstamp Limited	Nick Lissette
Black Pearl Mail, Inc (US registered subsidiary)	Nick Lissette, Tim Crown
Noir Perle Limited	Mark Osborne
Bebop AI Limited	Nick Lissette

Spread of Security Holders

As at 31 March 2025:

Size of Shareholding	Number of Holders	% of Shareholders	Total Shares Held	% of Shares
1-1,000	52	11.85%	30,931	0.05%
1,001-5,000	104	23.69%	302,180	0.47%
5,001-10,000	64	14.58%	512,606	0.79%
10,001-50,000	134	30.52%	3,157,447	4.88%
50,001-100,000	25	5.69%	1,844,051	2.85%
100,001 or more	60	13.67%	58,803,669	90.96%
Total	**439**	**100.00%**	**64,650,884**	**100.00%**

Top 20 Shareholders

The names and holdings of the twenty largest registered shareholders in the Company as at 31 March 2025 were:

Rank	Shareholder	Total Shares Held	% of Shares
1	Crown BP Holdings LLC	7,104,198	10.99%
2	New Zealand Depository Nominee	6,101,490	9.44%
3	VTPE Investments LLC	4,130,028	6.39%
4	Discount Nominees Ltd	3,000,000	4.64%
5	Accident Compensation Corporation	2,995,765	4.63%
6	Custodial Services Ltd	2,852,212	4.41%
7	Nicholas John Lissette & Karen Islay Cargill	2,573,205	3.98%
8	Sir Owen George Glenn	2,403,720	3.72%
9	HSBC Nominees (New Zealand) Limited	1,947,588	3.01%
10	Allan Raymond Smith & Neil William Welch	1,838,145	2.84%
11	Vance Justin Murdoch & Karen Lisa Murdoch	1,509,644	2.34%
12	JBWere (NZ) Nominees Ltd	1,427,902	2.21%
13	Foxlore Investments Ltd	1,080,000	1.67%
14	Michael James Lowe & Maria Luisa Lowe	1,033,044	1.60%
15	Citibank Nominees (NZ) Ltd	1,015,291	1.57%
16	Neil Andrew Richardson	958,914	1.48%
17	Holy Grail Holdings Ltd	805,000	1.25%
18	Forsyth Barr Custodians	773,810	1.20%
19	Bunger Family Investments LLC	719,586	1.11%
20	Volodymyr Zastavnyy	703,634	1.09%

Substantial Product Holders

The following substantial product holder information is given pursuant to section 293 of the Financial Markets Conduct Act 2013 and is based on substantial product holder notices filed with the Company during FY25 and the Company's share register as at 31 March 2025. As at 31 March 2025, details of the substantial product holders in the Company and their relevant interests in the Company's ordinary shares are shown in the table below. The total number of voting securities (fully paid ordinary shares) of the Company as at 31 March 2025 was 64,650,884.

Substantial Product Holder	Number of Shares	% of Issued Shares
Crown BP Holdings LLC	7,945,503	12.29%
VTPE Investments LLC	4,130,028	6.39%

Additional Statutory Information

Other Information

Auditor's Fees

For FY25, William Buck Audit (NZ) Limited was the external auditor for Blackpearl Group. William Buck was first appointed as auditor on 10 February 2023. During the year ended 31 March 2025, the amount payable by Blackpearl Group to William Buck as audit fees was NZ$95,000. The amount of fees payable to William Buck for non-audit work during the year ended 31 March 2025 was NZ$0.

Donations

During the year ended 31 March 2025, Blackpearl Group made donations to the local community totaling $13,350.

NZX Waivers

There were no waivers granted by NZX or relied on by the Company in the 12 months preceding 31 March 2025.

Consolidated Financial Statements

Independent Auditors Report

WilliamBuck
ACCOUNTANTS & ADVISORS

Independent auditor's report to the shareholders of Black Pearl Group Limited

Report on the audit of the consolidated financial statements

Our opinion on the consolidated financial statements

In our opinion, the accompanying consolidated financial statements of Black Pearl Group Limited (the Company) and its subsidiaries (the Group), present fairly, in all material respects:

— the consolidated financial position of the Group as at 31 March 2025, and

— its consolidated financial performance and its consolidated cash flows for the year then ended

in accordance with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards (IFRS).

What was audited?

We have audited the consolidated financial statements of the Group, which comprise:

— the consolidated statement of financial position as at 31 March 2025,

— the consolidated statement of profit or loss, and the consolidated statement of other comprehensive income for the year then ended,

— the consolidated statement of changes in equity for the year then ended,

— the consolidated statement of cash flows for the year then ended, and

— notes to the consolidated financial statements, including material accounting policy information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company or any of its subsidiaries.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

	Area of focus	How our audit addressed the key audit matter
Intangible assets and Goodwill	**Area of focus (refer also to notes 14 & 16)** The Group has $1.8m of Intangible Assets and $2.9m of Goodwill at 31 March 2025. Because of the significance to the financial statements of these balances and the judgements and assumptions which need to be applied in determining recoverable amounts is the reason why we have given specific audit focus and attention to this area.	**How our audit addressed the key audit matter** Our audit procedures included: — Analysed the Group's impairment assessment by comparison with historical data and trends — Completed sensitivity analysis on key assumptions including the discount rate applied, revenue growth rates and churn rates — Reviewed the level of variable expenditures that the Group has ability to adjust over time — Ensured appropriate disclosure has been included in the financial statements
Going Concern	**Area of focus (refer also to note 26)** The Group incurred a loss of $9.2million in the current year, and negative cash flow from operations of $6.3million. Management have assessed there is no material uncertainty related to Going Concern. Because applying the Going Concern assumption is pervasive to the financial statements and significant judgment is required by management to forecast future cash flows that is the reason why we have given specific audit focus and attention to this area.	**How our audit addressed the key audit matter** Our audit procedures included: — Analysed the Group's going concern assessment including reviewing forecast cashflows and completing sensitivity analysis — Assessing the reasonableness of assumptions used — Ensured appropriate disclosure has been included in the financial statements
Employee share-based compensation	**Area of focus (refer also to note 23)** The Group introduced a new employee share scheme during the year, and the Company recorded a non-cash Personnel expense of $1.1million in the current year. Because of the significance to the financial statements of these balances and the complexity of the accounting requiremnts is why we have given specific audit focus and attention to this area.	**How our audit addressed the key audit matter** Our audit procedures included: — Reviewed the detailed documentation underlying the employee share scheme — Analysed the Group's technical accounting analysis for compliance with NZ IFRS 2 *Share-based Payment* — Ensured appropriate disclosure has been included in the financial statements

Other information

The directors are responsible for the other information. The other information comprises the information included in the Group's annual report for the year ended 31 March 2025, but does not include the consolidated financial statements and our auditor's report thereon. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Directors' responsibilities for the consolidated financial statements

The directors are responsible on behalf of the Group for the preparation and fair presentation of the consolidated financial statements in accordance with NZ IFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible on behalf of the Group for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of our responsibilities for the audit of the consolidated financial statements is located at the External Reporting Board's website: Audit Report 1-1 » XRB. This description forms part of our auditor's report. The engagement partner on the audit resulting in this independent auditor's report is Darren Wright.

Restriction on distribution and use

This independent auditor's report is made solely to the shareholders, as a body. Our audit work has been undertaken so that we might state to the shareholders those matters which we are required to state to them in the independent auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the shareholders, as a body, for our audit work, this independent auditor's report, or for the opinions we have formed.

William Buck

William Buck Audit (NZ) Limited
Auckland

28 May 2025

Consolidated Statement of Profit or Loss

For the year ended 31 March 2025

	Notes	2025	2024
		$000	$000
Subscription revenue	6	7,742	4,053
Cost of sales	9	(2,492)	(1,162)
Gross profit		**5,250**	**2,891**
Other revenue		111	126
Personnel expenses	8	(5,365)	(3,322)
Operating expenses	9	(6,383)	(3,879)
Administrative expenses	9	(2,621)	(2,378)
Finance costs	10	(154)	(164)
Loss before net gains/(losses) on financial instruments and income tax		**(9,162)**	**(6,726)**
Net gains/(losses) on financial instruments	7	-	1,325
Loss before income tax		**(9,162)**	**(5,401)**
Net income tax credit	11	-	-
Loss for the year attributable to owners		**(9,162)**	**(5,401)**

		2025	2024
Earnings per share		$	$
Basic and diluted loss for the year attributable to owners	22	(0.16)	(0.12)

Consolidated Financial Statements

Consolidated Statement of Other Comprehensive Income

For the year ended 31 March 2025

	Notes	2025	2024
		$000	$000
Loss for the year		**(9,162)**	**(5,401)**
Other comprehensive loss that may be subsequently reclassified through profit or loss			
Exchange differences on translation of foreign operations		(261)	(74)
Total comprehensive loss for the year		**(9,423)**	**(5,475)**

Signed for and on behalf of the board:

Nicholas Lissette

Date: 28 May 2025

Timothy Crown

Date: 28 May 2025

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	At 31 March 2025	At 31 March 2024
		$000	$000
Assets			
Current assets			
Cash and cash equivalents	12	6,773	1,854
Receivables and prepayments	13	1,050	542
Total current assets		**7,823**	**2,396**
Non-current assets			
Property, plant and equipment		181	32
Goodwill	14	2,873	2,873
Intangible assets	14	1,750	1,296
Right-of-use asset	15	536	131
Other financial assets		52	-
Total non-current assets		**5,392**	**4,332**
Total assets		**13,215**	**6,728**
Liabilities			
Current liabilities			
Trade and other payables	17	1,706	451
Employee entitlements	18	372	243
Lease liabilities	15	208	133
Contingent consideration		-	24
Loans and borrowings	19	51	83
Contract liabilities	6	670	608
Total current liabilities		**3,007**	**1,542**

Consolidated Financial Statements

Consolidated Statement of Financial Position

As at 31 March 2025

	Notes	At 31 March 2025	At 31 March 2024
		$000	$000
Non-current liabilities			
Contingent consideration		-	30
Lease liabilities	15	330	-
Loans and borrowings	19	1,219	284
Total non-current liabilities		**1,549**	**314**
Total liabilities		**4,556**	**1,856**
Equity			
Share capital	21	50,456	37,493
Accumulated losses		(43,376)	(34,214)
Reserves		1,579	1,593
Equity attributable to the owners		**8,659**	**4,872**
Total liabilities and equity		**13,215**	**6,728**

Signed for and on behalf of the board:

Nicholas Lissette

Date: 28 May 2025

Timothy Crown

Date: 28 May 2025

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2025

	Notes	Share capital	Accumulated losses	Reserves: Share based payment reserve	Reserves: Share warrants reserve	Reserves: Foreign currency translation reserve	Total
		$000	$000	$000	$000	$000	$000
Balance at 31 March 2024		37,493	(34,214)	1,083	478	31	4,871
Loss for the year		-	(9,162)	-	-	-	(9,162)
Translation differences of foreign operations		-	-	-	-	(261)	(261)
Transactions with owners in their capacity as owners							
Issue of share capital	21	13,499	-	(973)	-	-	12,526
Issue of shares related to contingent consideration	21	124	-	(62)	-	-	62
Share based payments	23	-	-	1,289	-	-	1,289
Transaction costs arising on share issue	21	(666)	-	-	-	-	(666)
Share warrants issue	24	6	-	-	(6)	-	-
Balance at 31 March 2025		50,456	(43,376)	1,337	472	(230)	8,659
Balance at 31 March 2023		28,545	(29,796)	2,688	515	104	2,056
Loss for the year		-	(5,401)	-	-	-	(5,401)
Translation differences of foreign operations		-	-	-	-	(73)	(73)
Transactions with owners in their capacity as owners							
Issue of share capital	21	6,088	-	(754)	-	-	5,334
Shares issued on conversion of loan		1,801	-	-	-	-	1,801
Share based payments	23	994	-	133	-	-	1,127
Issue of shares related to contingent consideration	23	72	984	(984)	-	-	72
Transaction costs arising on share issue	21	(44)	-	-	-	-	(44)
Share warrants issue	24	37	-	-	(37)	-	-
Balance at 31 March 2024		37,493	(34,214)	1,083	478	31	4,871

Consolidated Statement of Cash Flows

For the year ended 31 March 2025

	Notes	2025	2024
		$000	$000
Cash flows from operating activities			
Cash receipts from customers		7,482	4,088
Cash paid to resellers for their commissions		(231)	(565)
Cash paid to suppliers and employees		(13,444)	(9,101)
Receipt of government grants		-	109
Net GST (paid)/received		(106)	19
Taxes (paid)/received		-	31
Interest paid on lease liabilities		(31)	(6)
Net cash used in operating activities	30	(6,330)	(5,425)
Cash flows from investing activities			
Purchase of property, plant and equipment		(187)	(30)
Acquisition and development of intangible assets		(1,135)	(341)
Interest received		108	26
Net cash used in investing activities		(1,214)	(345)
Cash flows from financing activities			
Repayment of loans and borrowings		(156)	(34)
Repayment of lease liabilities		(151)	(41)
Loan establishment fee		(30)	-
Proceeds from borrowings		1,000	-
Direct costs incurred in issuing equity		(666)	(44)
Cash receipts from issue of share capital		12,526	6,126
Net cash from financing activities	30	12,523	6,007
Net increase in cash and cash equivalents		4,979	237
Opening cash and cash equivalents at beginning of the year		1,854	1,759
Effect of exchange rate fluctuations on cash held		(60)	(142)
Cash and cash equivalents at year end	12	6,773	1,854

The accompanying notes form part of these consolidated financial statements.

Notes to the consolidated financial statements

1. REPORTING ENTITY
Black Pearl Group Limited (the 'Company') is a limited liability company incorporated and domiciled in New Zealand, registered under the Companies Act 1993.

The Company is a profit-oriented entity and is engaged in the business of building, acquiring, and marketing data-driven cloud services, consisting of a suite of productivity and demand generation applications for small and medium-sized businesses.

2. BASIS OF PREPARATION
The consolidated financial statements comprise the results and financial position of the Company and its wholly owned subsidiaries, Black Pearl Mail Incorporated, Newoldstamp Limited, Bebop AI Limited and Noir Perle Limited (together the 'Group') for the year ended 31 March 2025.

Statement of compliance

The consolidated financial statements have been prepared in accordance with the Companies Act 1993 and with New Zealand Generally Accepted Accounting Practice (NZ GAAP). These consolidated financial statements are Tier 1 for-profit entity that comply with the New Zealand Equivalents to IFRS Accounting Standards (NZ IFRS), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. These consolidated financial statements also comply with IFRS Accounting Standards as issued by the International Accounting Standards Board.

The consolidated financial statements are rounded to the nearest one thousand New Zealand dollars ($1,000) unless otherwise stated. These financial statements have been prepared on a going concern basis which assumes continuity of normal business activities and the realisation of assets and the settlement of liabilities in the normal course of business - for more detail refer to Note 26.

Basis of measurement

The consolidated financial statements are prepared on the historical cost basis, apart from certain assets and liabilities which are subsequently measured at fair value.

Functional and presentational currency

The financial results of each entity within the consolidated Group is measured using the currency of the primary economic environment in which that entity operates (the 'functional currency'). The consolidated financial statements are presented in New Zealand dollars, which is the Company's functional currency and the Group's presentational currency.

Presentation changes

The Group has reviewed the presentation of its financial statements for simplification, and reduced disclosures to enhance readability. The changes includes reclassification of comparative information e.g. gains in the previous year in relation to the reduction of contingent consideration and deferral of payments for the Group's shareholder loan were previously included in other income as the gain on derecognition of financial instruments. These are now disclosed separately in the Consolidated Statement of Profit or Loss - also refer to Note 7.

3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS
In preparing these consolidated financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations or future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustments to the carrying amount of assets and liabilities within the next financial year are:

- Estimated useful life of capitalised software development costs - Note 14.

Management has exercised the following critical judgements in applying accounting policies:

- Impairment of cash generating units - Note 16
- Classification of the share warrants as an equity instrument - see Note 24
- Preparation under the going concern assumptions - see Note 26
- Equity classification of the Group's new share-based payment scheme - see Note 23

Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES
Material accounting policies are included in the notes to which they relate. Material accounting policies that do not relate to a respective note are outlined below.

Standards issued but not yet effective

Certain new accounting standards and interpretations have been published that are not mandatory for the current reporting period and have not been adopted early by the Group. The Group expects NZ IFRS 18 *Presentation and Disclosure in Financial Statements* to have a material effect on the presentation of the Group's financial statements.

This standard introduces three key new requirements:

(1) A change in the structure of the statement of profit or loss, requiring presentation of items by operating, investing and financing activities with specified subtotals;

(2) Management defined performance measured to be included in a note in the financial statements; and

(3) Enhanced aggregation and disaggregation for line items, which the Group expects will streamline the content of its financial statements.

These will not result in measurement changes. The Group does not plan to early adopt NZ IFRS 18. Other new accounting standards and interpretations published that are not mandatory are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

Basis of consolidation

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group.

All subsidiaries have a reporting date of 31 March. All intragroup balances and transactions, and unrealised profits and losses arising from intragroup transactions are eliminated in preparing the Group financial statements.

Goods and Services Tax

All amounts are shown exclusive of Goods and Services Tax (GST) and other indirect taxes except for trade receivables and trade payables that are stated inclusive of GST.

Statement of Cash Flows

The cash flow statement is prepared exclusive of GST, which is consistent with the method used in the statement of profit or loss and comprehensive income. Definitions of the terms used in the cash flow statements:

- *Operating activities* are the principal revenue-producing activities of the Group and includes all transactions and other events that are not investing or financing activities.
- *Investing activities* are those activities relating to the acquisition and disposal of long-term assets and other investments not included in cash equivalents.
- *Financing activities* are those activities relating to changes in the size and composition of the contributed equity and borrowings of the Group.

Foreign currency translations

Transactions and balances

Foreign currency transactions are initially translated to the Group's functional currency using the prevailing exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement and from the revaluation of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Consolidation of foreign operation's transactions and balances

The results and financial position of the Company's subsidiary, prior to consolidation, are translated into the Group's presentation currency as follows:

- Assets and liabilities are translated at the closing rate at the date of the Statement of Financial Position;
- Income and expenses are translated using the average exchange rates for the relevant year (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on transaction dates, in which case income and expenses are translated at the dates of the transactions);
- Translation differences arising from the intercompany loan are recognised through profit or loss; and
- Except for the translation differences arising from the intercompany loan, all translation differences are recognised through other comprehensive income and are recorded through the foreign currency translation reserve.

Consolidated Financial Statements

4. MATERIAL ACCOUNTING POLICIES (Cont.)

Fair value estimation

The Group measures certain balances and transactions at fair value either at initial recognition or subsequently. In order to determine these fair values, valuation techniques are utilised. To provide an indication about the reliability of the inputs used in determining fair value, the Group has identified what level of input is utilised in the valuation in the note for each balance or transaction. An explanation of each level is below.

- Level 1 The fair value of the asset, liability or instrument is traded in active markets and is based on quoted market prices at the end of the reporting period.
- Level 2 The fair value of the asset, liability or instrument which is not traded in an active market and is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates.
- Level 3 If one or more of the significant inputs is not based on observable market data, the asset, liability, or instrument is included in Level 3.

5. OPERATING SEGMENTS

Accounting policy

Operating segments are components of an entity, engaged in business activities which may earn revenues and incur expenses, whose operating results are:

- regularly reviewed by an entity's chief operating decisions makers (CODM);
- used by the CODM to make decisions about resources to be allocated to the segment;
- used by the CODM to assess the performance of the segment; and
- where discrete financial information is available.

Basis for operating segments

The Group has two operating segments: Pearl Diver and Newoldstamp. These segments have been determined based on how the CODM reviews financial and operational performance, and the allocation of resources across the Group. The Group's CODM is the chief executive officer and the board of directors.

Financial performance information reviewed by CODM

The financial information presented for the reportable segments are the main financial performance indicators the CODM reviews for allocation of resources and reviewing performance. The main information the CODM reviews is the subscription fees, marketing costs and personnel expenses. This information is reviewed at least quarterly along with the metrics below. Revenue figures below do not include intra-group or intra-segment amounts.

	2025			2024*		
	Pearl Diver	Newoldstamp	Group	Pearl Diver	Newoldstamp	Group
	$000	$000	$000	$000	$000	$000
Subscription fees	6,313	1,429	7,742	2,792	1,261	4,053
Other revenue	111	-	111	126	-	126
Total revenue	**6,424**	**1,429**	**7,853**	**2,918**	**1,261**	**4,179**
Marketing	(2,718)	(147)	(2,865)	(1,226)	(177)	(1,403)
Personnel expenses and contractor costs	(6,417)	(704)	(7,121)	(3,516)	(1,190)	(4,706)
Other expenses	(6,108)	(921)	(7,029)	(4,533)	(263)	(4,796)
Total expenses	**(15,243)**	**(1,772)**	**(17,015)**	**(9,275)**	**(1,630)**	**(10,905)**
Net gains on financial instruments	-	-	-	**1,325**	-	**1,325**
Net (loss) before tax	**(8,819)**	**(343)**	**(9,162)**	**(5,033)**	**(369)**	**(5,401)**

* As part of the Group's review of the presentation of its financial statements, comparative figures have been reclassified (see Note 2). This includes separation of comparative information e.g. gains in the previous year in relation to the reduction of contingent consideration and deferral of payments for the Group's shareholder loan were previously included in other income as the gain on derecognition of financial instruments.

Consolidated Financial Statements

Geographical information

The Group has extensive international coverage, with the United States being its primary market for subscribers.

The following is a breakdown of subscription revenue earned from customers for the top five locations of each segment, which collectively represent 95.6% (2024: 93.07%) of the Group's total subscription revenue.

	2025			2024		
	Pearl Diver	Newoldstamp	Group	Pearl Diver	Newoldstamp	Group
	$000	$000	$000	$000	$000	$000
United States	5,360	712	6,072	2,514	779	3,293
New Zealand	613	12	625	78	11	89
Australia	209	88	297	110	71	181
Canada	55	165	220	31	81	112
United Kingdom	51	139	190	25	72	97
Other	25	313	338	34	247	281
Total	**6,313**	**1,429**	**7,742**	**2,792**	**1,261**	**4,053**

6. SUBSCRIPTION REVENUE

Accounting policy

Subscription revenue is comprised of recurring monthly, quarterly and annual fees from subscribers to Pearl Diver, Bebop AI, Black Pearl Mail (BPM) & Newoldstamp (NOS). Subscriptions are sold directly by the Group or through resellers. Revenue is recognised on a straight-line basis across the subscription term. A receivable for subscription revenue is recognised once unconditional payment is due from the customer. Typically, this is when the customer signs up to the subscription or when a subscription is renewed as contractually agreed.

Payments received in advance of the subscription term are recognised as contract liabilities. Contract liabilities are reduced as revenue is recognised across the term of the subscription. Because payments are collected in advance of the subscription, the Group has no contract assets.

Subscriptions are mainly monthly subscriptions, with options for customers to pay for longer subscriptions in advance. Customers are invoiced at the start of the subscription period, and revenue is recognised on a straight line basis across the subscription period.

Resellers earn commission for their services which is amortised over the term of the contract. For contracts that are less than 12 months, a practical expedient is applied and the commission is expensed when incurred.

In the following table, revenue from contracts with customers is disaggregated between its direct sales and reseller sales.

	2025		2024	
	$000	%	$000	%
Total direct sales	6,890	89%	3,467	86%
Total reseller sales	852	11%	586	14%
Total subscription revenue	**7,742**	**100%**	**4,053**	**100%**

The Group reviewed the requirements of NZ IFRS 15 Revenue from contracts with customers on a portfolio basis, being contracts for sales directly with customers (Direct Sales) and customers obtained through resellers (Reseller Sales). This is because the Pearl Diver, BPM and NOS performance obligations for all Direct Sales are identical, and all its performance obligations under Reseller Sales are largely identical. The Group has no significant financing components in any of its contracts with customers.

Consolidated Financial Statements

7. NET GAINS/(LOSSES) ON FINANCIAL INSTRUMENTS

	2025	2024
	$000	$000
Gain on reduction of contingent consideration - liability classified	-	1,003
Gain on deferral of payments for the shareholder loan	-	322
Total net gain/(losses) on financial instruments	**-**	**1,325**

In 2024 the contingent consideration for the Newoldstamp acquisition was varied to reduce the value of the shares that were required to be issued. There was no change to the assets or liabilities acquired in the business combination. This resulted in a reduction in the liability classified contingent consideration of $1 million.

8. PERSONNEL EXPENSES

Accounting policies

Personnel expenses are recognised as an expense as employees provide services.

	2025	2024
	$000	$000
Salaries and wages	3,924	2,875
KiwiSaver employer contributions	66	69
Sales commissions	189	233
Employee share-based compensation expense - see Note 23	1,129	113
Increase in annual leave entitlements - see Note 18	57	32
Total personnel expenses	**5,365**	**3,322**

Consolidated Financial Statements

9. EXPENDITURE

	2025	2024
	$000	$000
Cost of sales		
Reseller commissions	231	332
Personnel expenses	433	284
Hosting and server costs	1,552	382
Merchant bank fees	276	164
Total cost of sales	**2,492**	**1,162**
Operating expenses		
Advertising and marketing	2,865	1,403
Contractors	1,323	1,099
Hosting and server development costs	317	119
IT service costs	557	298
Consulting costs	1,321	960
Total operating expenses	**6,383**	**3,879**
Administrative expenses		
Bank fees	27	8
Director fees	463	356
Accounting fees	129	183
Fees paid to auditors: audit of financial statements	95	88
Depreciation and amortisation	891	767
Insurance	134	132
Other expenses	336	306
Travel expenses	261	96
Legal fees	292	283
Listing costs	129	140
Net foreign exchange (gains)/losses	(136)	19
Total administrative expenses	**2,621**	**2,378**

Consolidated Financial Statements

10. FINANCE COSTS

Accounting policy

Borrowing costs are recognised as an expense in the financial year in which they are incurred.

Below-market term loans are subsequently measured at amortised cost with the recognition of interest as part of applying the effective interest method. As the below-market term loans are amortised to its present value at reporting date, this includes the recognition of borrowing costs as per above i.e. actual interest payable, and a separate interest expense for the unwind of the initial fair value discount. For more details on below-market term loan accounting, see Note 19.

	2025	2024
	$000	$000
Interest accrued on loans and borrowings	96	143
Amortisation of below-market term loans and loan establishment fees	27	15
Interest on lease liabilities	31	6
Total finance costs	**154**	**164**

11. INCOME AND DEFERRED TAX

Accounting policy

Tax expense comprises current and deferred tax. Income tax is recognised in the statement of profit or loss and other comprehensive income except when it relates to items recognised directly in equity (in which case the income tax is recognised in equity). Income tax is based on tax rates and regulation enacted in the jurisdiction in which the entities operate.

Deferred tax is recognised in respect of temporary differences between the carrying amount of asset and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax is based on the expected manner of realisation of the carrying amount of assets and liabilities, using tax rates enacted or substantially enacted at the end of the reporting period. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available, against which the asset can be utilised.

	2025	2024
	$000	$000
Net loss before income tax	(9,162)	(5,402)
At the New Zealand statutory income tax rate of 28% (2024: 28%)	(2,565)	(1,513)
Non-deductible expenditure	-	-
Unrecognised tax losses	2,565	1,513
Income tax expense/(credit)	**-**	**-**

Deferred tax assets on deductible temporary differences have been recognised to the extent taxable temporary differences exist in the same tax jurisdiction. No deferred tax asset is recognised in excess of the available taxable temporary differences, due to the uncertainty of when the asset can be utilised.

The Group has no unrecognised deferred tax assets (apart from tax losses) related to deductible temporary differences (2024: $nil).
The Company has New Zealand tax losses of $27.46 million, available for use against future taxable profits, subject to the New Zealand Tax Legislation requirements being met (2024: $19.24 million).

The subsidiary incorporated in the United States has federal tax losses of $2.48 million (2024: USD $2.33 million) and Arizona State tax losses of $2.50 million (2024: USD $2.35 million), which are available indefinitely for use against future taxable profits. No deferred tax asset has been recognised for tax losses as the Group has assessed there is not a probability of utilising these losses in the near future due to the current loss position.

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The following is a breakdown of the Group's deferred tax balances:

	2025			2024		
	Opening balance at 1 April	Charged to profit or loss	Deferred tax asset balance at 31 March	Opening balance at 1 April	Charged to profit or loss	Deferred tax asset balance at 31 March
	$000	$000	$000	$000	$000	$000
Leases	1	1	2	-	1	1
Borrowings	(23)	13	(10)	(27)	4	(23)
Intangible assets	(805)	213	(592)	(465)	(340)	(805)
Share based payments	303	71	374	463	(160)	303
Employee entitlements	-	-	-	29	(29)	-
Tax losses	524	(298)	226	-	524	524
Total	**-**	**-**	**-**	**-**	**-**	**-**

12. CASH AND CASH EQUIVALENTS

Accounting policy

Cash and cash equivalents includes deposits held on call with banks, and other short-term highly liquid investments with original maturities of three months or less.

Currently, the Group's $6.773 million balance is on demand deposit with banks (2024: $1.854 million).

13. RECEIVABLES AND PREPAYMENTS

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The simplified expected credit loss (ECL) model is applied, assessing short-term receivables as they possess shared credit risk characteristics and are grouped based on the days past due. Based on collection history and expectation of collection of current balances the Group has determined that any ECL provision would be trivial and therefore has not recorded a provision.

Short term-receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include the debtor being in liquidation or the receivable being more than one year overdue (in default).

	2025	2024
	$000	$000
Trade receivables	470	304
GST receivable	142	36
Prepayments	353	173
Other receivables	85	29
Total trade and other receivables	**1,050**	**542**

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14. INTANGIBLE ASSETS (INCLUDING GOODWILL)

Accounting policy

Internally-generated intangible assets

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to reliably measure the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally-generated intangible assets is the sum of the directly attributable cost necessary to create, produce, and prepare the asset from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses.

Customer contracts

The customer contracts were acquired as part of a business combination during the year ended 31 March 2023. They were recognised at their fair value on acquisition date, and are subsequently amortised on a straight-line basis based on the timing of projected cash flows of the contracts over their expected life.

Capitalised software development acquired

Included in capitalised development costs is the Newoldstamp software which was acquired as part of a business combination during the year ended 31 March 2023. It was originally recognised at fair value on acquisition date using the cost-to-rebuild approach, adjusted for the expected remaining useful life. Costs capitalised were consistent with the Group's accounting policy on internally generated intangible assets. It is then subsequently amortised on a straight-line basis based on the remaining useful life of the asset.

Goodwill

Goodwill arising from business combinations is measured as the excess of the sum of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Goodwill is not amortised but is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. For impairment testing, refer to Note 16. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Amortisation of intangible assets with finite useful lives

The Group amortises intangible assets with a limited useful life using the straight-line method over the following periods. Amortisation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

Website	5 years
Capitalised development costs	4 - 10 years
Customer contracts	2.5 years

Critical accounting estimates

Capitalised development costs

This includes capitalised development work in relation to the Black Pearl Mail software (the 'BPM software'), The Bebop AI software (the 'Bebop AI software') and the Newoldstamp software (the 'NOS software'). The useful life of the BPM software is 10 years, the Bebop AI software at 4 years, and the NOS software is 5 years. Management considered industry practice, the nature of the asset and previous experience in determining the useful life. The useful life of 10 years for the BPM and Pearl Diver software is higher than the industry average (6 years), due to the more stable environment the Group operates in, resulting in less frequent obsolescence of intangible assets than the industry norm, as well as the nature of the product offerings. The useful life of Bebop AI at 4 years is shorter than the industry average due to the high rate of technological change in the generative AI area. The Group will continue to assess the useful lives of capitalised development costs.

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	Goodwill	Customer Contracts	Website	Capitalised Dev Costs	Total
	$000	$000	$000	$000	$000
Cost					
Balance at 1 April 2024	2,873	1,134	146	2,086	6,239
Additions	-	-	-	1,135	1,135
Balance at 31 March 2025	**2,873**	**1,134**	**146**	**3,221**	**7,374**
Amortisation and impairment losses					
Balance at 1 April 2024	-	643	65	1,362	2,070
Amortisation for the year	-	454	26	201	681
Balance at 31 March 2025	**-**	**1,097**	**91**	**1,563**	**2,751**
Carrying amount at 31 March 2025	**2,873**	**37**	**55**	**1,658**	**4,623**
Cost					
Balance at 1 April 2023	2,873	1,134	146	1,745	5,898
Additions	-	-	-	341	341
Balance at 31 March 2024	**2,873**	**1,134**	**146**	**2,086**	**6,238**
Amortisation and impairment losses					
Balance at 1 April 2023	-	189	40	1,136	1,365
Amortisation for the year	-	454	25	226	705
Balance at 31 March 2024	**-**	**643**	**65**	**1,362**	**2,070**
Carrying amount at 31 March 2024	**2,873**	**491**	**81**	**724**	**4,168**

The Group completed impairment testing for its cash generating units, specifically goodwill but included the intangible assets attributable to each cash generating unit - for more detail refer to Note 16. No impairment is identified at year end (2024: $nil).

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Accounting policy

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract, is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease, or if that rate cannot be readily determined, the Group's incremental borrowing rate. The Group uses its incremental borrowing rate as the discount rate. The lease liability is measured at amortised cost under the effective interest method.

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15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES (Cont.)

Right-of-use assets	2025	2024
	$000	$000
Cost		
Balance at 1 April	174	-
Additions	614	174
Lease termination	(44)	-
Balance at 31 March	**744**	**174**
Depreciation and impairment losses		
Balance at 1 April	(43)	-
Depreciation and impairment losses	(165)	(43)
Balance at 31 March	**(208)**	**(43)**
Carrying amount at 31 March	**536**	**131**

The Group leases office spaces in Wellington and Auckland operations, as well as a carpark in Wellington. Each of these leases was entered in the current reporting period. The Auckland lease is for a total term of 2 years beginning 15 January 2025, with a 2 year extension option the Group does not expect to use. The Wellington office and carpark leases are for a total term of 3 years and 2 months beginning 1 November 2024, with a 3 year extension option the Group does not expect to use.

The Group's previous Wellington office lease was terminated early on 31 December 2024.

Lease liabilities	2025	2024
	$000	$000
Current	208	133
Non-current	330	-
Total lease liabilities	**538**	**133**

Total cash outflow relating to lease liabilities of $182,000 (2024: $47,000), comprising $31,000 (2024: $6,000) of interest and $151,000 (2024: $41,000) of repayments of lease liabilities. The undiscounted cash outflow due in the next 12 months is $258,000.

In November 2024 the Group entered into a 3 year rental contract for a Canon printer for its Wellington office. The Group has applied the low-value lease exemption and expenses payments as incurred. During the year rental expenses for the printer totalled $583.

In October 2024 the Group entered into a 1 year rental contract for an Auckland office premises which was terminated early in January 2025 and replaced with a different premises in the same building. The new premises is recognised as a lease. As the term of the original Auckland lease was only 1 year the Group applied the short-term lease exemption and expensed payments as incurred. During the year rental expenses for the office totalled $21,000.

16. IMPAIRMENT OF CASH GENERATING UNITS

Goodwill and intangible assets that have indefinite useful lives are amortised and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal (FVLCOD) and value in use (VIU).

For the purpose of assessing impairment, assets are grouped at the lowers levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets i.e. cash generating units (CGUs). Non-financial assets, other than goodwill that suffered an impairment, are reviewed for possible reversal of impairment at the end of each reporting period.

Identification of CGUs

The carrying amount of the Group's assets were reviewed to determine whether there is any indication of impairment and if so, tested or tested regardless in the case of indefinite life intangible assets. The Group identified two cash generating units, based on its product offerings.

(1) Pearl Diver - the Group's most significant product offering, which collates and presents data about interactions with a customer's website. The Group's original product Black Pearl Mail, which offers email customisation subscriptions to customers and the ability to gather data about how customers interact with those emails, is provided as part of a Pearl Diver subscription.

(2) Newoldstamp - the acquired business which also offers email customisation subscriptions to customers.

Allocation of goodwill

Goodwill is allocated between Pearl Diver and Newoldstamp for the purpose of impairment testing. 90% ($2.58 million) is allocated to Pearl Diver and 10% ($0.28 million) to Newoldstamp reflecting the future growth expected from the organic traffic.

Key assumptions of impairment testing

The Group have tested impairment by measuring each CGU's VIU. The calculations are based on cash flow projections covering a five-year period and operating expenses reflecting the financial budgets approved by management and the Board. As of 31 March 2025:

Pearl Diver CGU had a carrying value of $5.8 million. The VIU model used an average revenue growth rate of 19.7%. To determine the terminal value, a 2.1% long-term growth rate was applied. A post-tax discount rate of 18% was used to establish the recoverable amount under the VIU model. The Group has determined that no impairment is required to the Pearl Diver CGU.

Newoldstamp CGU had a carrying value of $0.7 million. The VIU model used an average revenue growth rate of 0%. To determine the terminal value, a 2.1% growth rate was applied. A post tax discount rate of 18% was used to establish the recoverable amount under the VIU model. The Group have determined that no impairment is required to the Newoldstamp CGU.

Management has determined the values of its key assumptions in its VIU calculations for the three CGUs as follows:

- Revenue growth rate - based on the number of sales leads, the conversion of those leads to billable customers, and marketing expenditure.
- Long-term growth rate - using published international technology industry growth rates, particularly those in the United States.
- Post-tax discount rate - reflecting the specific circumstances and risks of the Group, and benchmarked against NZX listed technology companies.

Result of impairment testing

Following the assessment of the recoverable amount of goodwill allocated to both Pearl Diver and Newoldstamp, the directors consider the recoverable amounts of the CGUs to be the most sensitive to the achievements of the budget. Budgets comprise of forecast subscription revenue, marketing, staff costs and overheads based on current and anticipated market conditions that have been considered and approved by the Board.

Impact of possible changes in key assumptions

The Group has conducted an analysis of the sensitivity of impairment test to changes in the key assumptions used to determine the recoverable amount for each of the Group's CGUs to which goodwill is allocated. The directors believe that any reasonably possible changes in the key assumptions on which the recoverable amount is based would not cause the aggregate carrying amount to exceed the aggregate recoverable amount of the related CGUs.

17. TRADE AND OTHER PAYABLES

Accounting policy

The carrying value of trade and other payables are classified as financial liabilities and measured at amortised cost, which approximates their fair value.

	2025	2024
	$000	$000
Trade payables	785	172
Accrued expenses	868	279
Other payables	53	-
Total trade and other payables	**1,706**	**451**

Trade payables are unsecured, non-interest bearing and are usually paid within 30 days of recognition.

18. EMPLOYEE ENTITLEMENTS

Accounting policy

Employee benefits that are expected to be settled wholly within twelve months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, and annual leave earned to, but not taken at balance date.

	2025	2024
	$000	$000
Accrued wages and salaries	181	109
Annual leave entitlements	191	134
Total employee entitlements	**372**	**243**

19. LOANS AND BORROWINGS

Accounting policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed less transaction costs. Interest due on the borrowings is subsequently accrued and added to the borrowings balance.

Borrowings are classified as current liabilities unless the Group has a right to defer settlement of the liability for at least 12 months after balance date.

Loans made at nil or below-market interest rates are initially recognised at the present value of their expected future cash flow, discounted at the current market rate of return.

	2025	2024
	$000	$000
Current portion		
Credit card balances	(23)	4
Below-market term loans from the government	74	79
Total current portion	**51**	**83**
Non-current portion		
Below-market term loans from the government	239	284
Bank loans	980	-
Total non-current portion	**1,219**	**284**
Total loans and borrowings	**1,270**	**367**

For below-market term loans received from government, the difference between the face value and the present value of the expected future cash flows of the loan is recognised in profit or loss as a government grant. Below-market term loans from the government are subsequently measured at amortised cost using the effective interest rate method.

The Group has two below-market term loans from government: The loan from Callaghan Innovation for research and development ('Research and development loan') and the small business cash flow loan from the Inland Revenue Department ('Small business cash flow loan').

Research and development loan

This loan bears non-compounding interest at 3% per annum. The total term of the loan is 10 years and regular monthly payments must be made after the third anniversary of the loan and must be fully repaid by the end of the term. The loan terms have not changed since inception. The loan matures in September 2030.

Small Business Cashflow Scheme loan

This loan bears non-compounding interest at 3% per annum. The total term of the loan is 5 years and regular payments must be made after the second anniversary of the loan and must be fully repaid by the end of the term. The loan terms have not changed since inception. The loan matures in August 2025.

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The principal amount, unamortised debt discount and net carrying amount of the government loans are as follows:

At 31 March	2025	2024
	$000	$000
Principal amount	329	396
Interest payable accrued	22	35
Unamortised fair value write-down	(37)	(68)
Total carrying value of below-market term loans from the government	**314**	**363**

The fair value of the below-market term loans from government was initially recognised using the discounted cashflow method, using a level 3 fair value input of an estimated market discount rate of 8.44%.

New bank loan facility

During the period, the Group obtained a new loan facility with BNZ. The total facility limit is $5.00 million with a minimum drawdown requirement of $1.00 million. The facility is a customised average rate loan facility and is subject to non-compounding variable interest rates which reset every month. During the period, the interest rates were between 7.76% and 9.31%. The facility matures on 17 August 2026 and is secured over all present and acquired property of the Group. The loan is classified at amortised cost and the Group incurred a $30,000 establishment fee which has been included in the carrying value of the loan and is amortised using the effective interest rate method.

The facility is subject to conditions (covenants) that may result in the loan being repayable to BNZ on demand. In particular, the loan has a financial covenant based on the Group's annual recurring revenue (ARR) that is tested on the last day of each financial quarter during the term of the loan. The test is based on the financial results of the Group during the quarter the covenant is tested. The Group has met all covenant requirements as of 31 March 2025, and does not expect to breach its ARR covenant within the next financial year.

The loan also has a dividend stopper condition - see Note 21 for more details.

20. FINANCIAL INSTRUMENTS

The Group's policy is that no speculative trading in financial instruments may be undertaken.

Classification and fair values

Financial instruments are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss. The Group's financial instruments as of 31 March 2025 are classified at amortised cost (2024: also at amortised cost, with the exception of the contingent consideration liability at fair value through profit or loss).

The carrying value of the Group's financial instruments carried at amortised cost do not materially differ from their fair value. There were no transfers between classes of financial instruments during the year (2024: no transfers).

CAPITAL MANAGEMENT

The capital structure of the Group primarily consists of equity raised by the issue of shares in Blackpearl Group. The Group considers its capital to comprise its fully paid-up, ordinary share capital and accumulated losses.

The Group manages its capital to ensure it maintains an appropriate capital structure to support the business and continue as a going concern. The Group's capital structure is adjusted based on business needs and economic conditions. The Group is not subject to any externally imposed capital requirements.

When managing capital, management's objective is to achieve optimal long term capital returns to shareholders and benefits for other stakeholders. There have been no material changes in the Group's management of capital from the previous year.

This note should be read in conjunction with Note 26 which outlines details of the Group's going concern assumption and the financial year 2026 plan that Directors believe will enable the Group to continue operations.

FINANCIAL RISK MANAGEMENT

The main risks arising from the Group's financial instruments are foreign exchange currency risk, liquidity risk and credit risks which arise in the normal course of the Group's business. The Group uses different methods to measure and manage different types of risks to which it is exposed.

The following presents both qualitative and quantitative information on the Group's exposure to each of the above risks, along with policies and processes for managing risks.

Foreign currency risk

Nature of risk

Foreign currency risk is the risk that changes to foreign exchangxe rates negatively impact the Group's New Zealand dollar (NZD) net cash flows.

20. FINANCIAL INSTRUMENTS (Cont.)

Exposure and risk management

A large portion of the Group's subscription revenue is priced using the United States Dollar (USD). This is different to the Group's functional currency of NZD. The Group is exposed to other foreign currencies, but the exchange rate fluctuations between USD and NZD are the Group's primary source of foreign currency exposure. The Group maintains a USD bank account for its US operations, providing a natural hedge for its US branch operational costs. However, all other operations (i.e. Black Pearl Mail and NewOldStamp) use NZD bank accounts which generates foreign currency fluctuations from subscription payments throughout the year.

The Group does not hedge this exposure e.g. foreign exchange swaps.

The following balances are subject to foreign currency exchange fluctuations:

- Trade receivables, being the amounts receivable for subscriptions; and
- Cash and cash equivalents being cash amounts held in USD in its foreign operations.

At 31 March, had the local currency strengthened/weakened against the USD by 10% the pre-tax loss (in NZD) would have been (higher)/lower as follows:

	2025			2024		
At 31 March	Balance	+10%	-10%	Balance	+10%	-10%
	(US$000)	(NZ$000)	(NZ$000)	(US$000)	(NZ$000)	(NZ$000)
Cash and cash equivalents	105	(17)	20	34	(5)	6
Trade and other receivables	268	(43)	52	177	(30)	30
Increase/(decrease) in pre-tax loss		**(60)**	**72**		**(35)**	**36**

Interest rate risk

Nature of risk

Interest rate risk is the risk that changes in interest rates negatively impact the Group's financial performance or the value of its financial instruments.

Exposure and risk management

The Group's interest rate risk arises from its cash and cash equivalents balances. The Group currently has no significant exposure to interest rate risk other than in relation to the amount held at bank. A reasonably expected movement in the prevailing interest rate would not materially affect the Group's consolidated financial statements. The Group's credit card balances are settled on a monthly basis. All borrowings are either interest free or are at fixed interest rates.

Liquidity risk

Nature of risk

Liquidity is the risk that the Group cannot pay contractual liabilities as they fall due.

Exposure and risk management

Liquidity risk arises mainly from business activities.

The Group manages liquidity risk by ensuring cash flow is planned ahead of time, and funding is planned and organised when required, to ensure the Group will be able to meet its financial obligations.

At 31 March 2025, the Group held cash and cash equivalents of $6.77 million (2024: $1.85 million) to be used for the Group's day-to-day activities and for investments into strategic programmes. The Group has total credit card facilities of $30,000 (2024: $30,000) to support its operations. The Group relies on its capital raised through the issue of shares.

The Group's exposure to liquidity risk based on undiscounted cash flows relating to financial liabilities is set out below:

At 31 March 2025	Less than 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	$000	$000	$000	$000	$000	$000
Trade and other payables	1,706	-	-	-	1,706	1,706
Lease liabilities	258	236	126	-	620	538
Loans and borrowings	74	1,069	206	46	1,394	1,270
Contractual cash flows	**2,038**	**1,304**	**332**	**46**	**3,720**	**3,514**

At 31 March 2024	Less than 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	$000	$000	$000	$000	$000	$000
Trade and other payables	451	-	-	-	451	451
Lease liabilities	142	-	-	-	142	133
Loans and borrowings	79	74	206	114	473	367
Contractual cash flows	**530**	**74**	**206**	**114**	**924**	**818**

Credit risk

Nature of risk

Credit risk arises in the normal course of the Group's business on financial assets if a counter party fails to meet its contractual obligations.

Exposure and risk management

Financial instruments that potentially subject the Group to credit risk principally consist of cash and cash equivalents and its trade and other receivables. The Group manages this risk by placing most of its cash and cash equivalents with high-quality financial institutions. The credit risk associated with trade receivables is small due to inherently lower transaction values and the distribution over a large number of customers.

Group financial assets subject to credit risk at balance date are as follows:

At 31 March	2025	2024
	$000	$000
Cash and cash equivalents	6,773	1,854
Receivables	555	333
Total financial assets subject to credit risk	**7,328**	**2,187**

Most of the Group's cash and cash equivalents comprises of $6.59 million cash held with the Bank of New Zealand ('BNZ') with a credit rating of A+ from Fitch (2024: BNZ $1.79 million, A+) and BMO Bank ('BMO') of $86,000 with a credit rating of AA- from Fitch (2024: BMO $43,000, AA-). The remaining $97,000 is an on-call balance with PayPal (2024: PayPal $13,000).

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21. SHARE CAPITAL

	2025	2024
	$000	$000
On issue at beginning of the year	37,493	28,545
Issue of ordinary shares	12,526	6,088
Equity transaction costs	(666)	(44)
Shareholder warrants exercised - see Note 24	6	37
Restricted shares converted to ordinary shares - see Note 23	240	240
Exercise of employee share rights and share based payment compensation - see Note 23	733	682
Issue of shares related to contingent consideration		
- equity classified - see Note 23	62	72
- liability classified	62	72
Conversion of shareholder loan to ordinary shares	-	1,801
Total share capital ($000)	**50,456**	**37,493**
Share capital consists of the following classes:		
Ordinary share capital	50,456	37,493
Total share capital ($000)	**50,456**	**37,493**

	2025	2024
Fully paid total shares at the beginning of the year	53,309,437	35,363,459
Issue of ordinary shares	10,020,418	12,770,297
Shareholder warrants exercised - see Note 24	30,000	180,000
Restricted shares converted to ordinary shares - see Note 23	239,429	192,000
Exercise of employee share rights and share based payment compensation - see Note 23	956,296	781,274
Issue of shares related to contingent consideration		
- equity classified - see Note 23	49,764	57,860
- liability classified	45,540	124,759
Conversion of shareholder loan to ordinary shares	-	3,839,788
Total share capital (#)	**64,650,884**	**53,309,437**
Total value per share	**$0.78**	**$0.70**
Share capital consists of the following classes:		
Ordinary share capital	64,650,884	53,309,437
Total share capital (#)	**64,650,884**	**53,309,437**

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Capital raise

In October 2024, the Company raised $12.5 million in capital through an off-market placement totalling $10.5 million and a further $2 million from a share purchase plan. The capital was raised at $1.25 per share.

Equity transactions costs

Transaction costs incurred in issuing or acquiring own equity instruments are accounted for as a deduction from equity, to the extent they are directly attributable to the equity transaction that otherwise would have been avoided. Transaction costs related to an equity transaction that is abandoned are recognised as an expense.

During the year, the Group incurred $666,000 of costs during the Company's capital raise (2024: $44,000).

The costs were mainly from consulting firms, charging a fee based on a percentage against capital raised from investors they had introduced to the Company. These costs have been allocated to share capital.

Contingent consideration

During the year the Company issued the final contingent consideration payments for the Newoldstamp acqusition. This resulted in the issue of 95,304 shares.

Dividend stopper

The Group entered a new loan facility with BNZ during the current financial year - see Note 19. A condition of the new loan is that the Company cannot pay dividends or other distributions to shareholders without prior consent from BNZ during the term of the loan.

22. BASIC AND DILUTED EARNINGS PER SHARE

The Group presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS is calculated by dividing the net loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares on issue during the year. Diluted EPS is determined by adjusting the net loss attributable to ordinary shareholders and the weighted average number of the ordinary shares on issue for the effects of all potential dilution to ordinary shares and options. Instruments are only treated as dilutive when their conversion to ordinary shares would decrease EPS or increase the loss per share.

	2025	2024
Total loss attributable to owners ($000)	(9,162)	(5,402)
Weighted average number of ordinary shares for basic EPS	58,131,168	46,173,360
Dilution from share based compensation options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	58,131,168	46,173,360
Basic and diluted loss per share	**($0.16)**	**($0.12)**

23. SHARE BASED PAYMENT RESERVE

Accounting policy

The Group operates equity-settled share based compensation, with a mix of ordinary shares and rights to shares which can be exercised for ordinary shares. The Group has share based compensation arrangements both with and without vesting conditions. Vesting conditions (if any) attached to any share based payment arrangement are only service conditions and/or non-market performance conditions.
For share based payments with vesting conditions, the fair value of the shares (or share rights) are determined at the grant date and they are vested in tranches over the specified period in the contract. Each tranche is accounted for as a separate grant for the purposes of recognising the expense over the vesting period. The fair value of shares and rights are based on the Company's listed share price at the time.

At the end of each reporting period, the Group revises its estimates of the number of rights expected to vest based on the non-market vesting and service conditions. It recognises the impact of the revision to original estimates, if any, through profit or loss with a corresponding adjustment to equity. Otherwise, once the vesting conditions are met, the amounts recognised in the reserve remain indefinitely until those rights are exercised or forfeited. The Group's other share based compensation arrangements do not have vesting conditions. Shares are issued and the fair value of those shares is measured and expensed on the grant date.

The Company effectively has four types of share based compensation arrangements:

- One-off share based compensation without vesting conditions

Share issues that are used as a bonus to compensate employees or other suppliers for services. These do not have vesting conditions and are immediately recorded as share capital or an increase in the reserve once issued.

- Contractual share based compensation with vesting periods

23. SHARE BASED PAYMENT RESERVE (Cont.)

Contractual arrangements entered into with key employees to provide share rights with vesting periods for a defined service period. All vested employee rights have a nil exercise price. Any share to be issued on the exercise of the right will be issued on the same terms which rank equally in all respects with the ordinary shares in the Company on issue.

- Contractual share based compensation with non-market performance conditions

Contractual arrangements entered with key employees to provide share rights that vest when specified performance conditions are met. These are 'non-market' performance conditions as defined under NZ IFRS 2 as they are conditions not linked to the actual share price of the Company. Examples of these conditions include meeting certain ARR and cash profitability targets by a certain date specified in the agreement with the employees. The participants must remain employed by the Company until the performance targets are met, otherwise they are forfeited.

- Restricted shares issued to non-executive directors

The Company issued a separate class of equity securities to its non-executive directors. These automatically convert into shares after a defined period.

The following table summarises movements in the reserve related to progress towards vesting of share rights:

	2025	2024
	$000	$000
Opening balance	1,083	2,688
Share rights exercised during the year - transfer to share capital	(973)	(754)
Equity-based purchase price contingent consideration NOS	(62)	(984)
One off share based payments without vesting terms(i)	-	312
Progression of share rights from employee contractual share-based compensation(i)	1,031	27
Progression from other contractual share based compensation NOS(i)	18	(227)
Restricted shares issued to non-executive directors recognised via director fees(ii)	334	21
Movements due to net settlement offers	(94)	-
Closing balance	**1,337**	**1,083**

(i) These amounts, along with the additional expense recognised due to net settlement offers (discussed below) totalling $1.129 million was recognised via profit or loss through personnel expenses.

(ii) These amounts were recognised through profit or loss as director fees under administrative expenses.

Additional information on shares and share rights granted during the year

One-off share-based payment compensation with no vesting conditions

None for the 2025 financial year. 2024: NewOldStamp Incorporated service agreement remuneration through share-based payments - 600,000 shares to be issued and expense of $312,000.

Contractual share-based compensation with vesting periods: old employee share right scheme

The Company has a legacy employee share scheme of which no new share rights were granted during the financial year (2024: no new shares granted under the legacy scheme). All share rights under this scheme are now fully vested, a total of 767,734 have not yet been exercised by the respective employees. There is no deferred expense remaining. (2024: 21,852 not vested, deferred expense of $9,000, weighted average remaining vesting period of 1 year, 745,882 vested and exercisable at the end of the financial year). Share rights under the old employee scheme have no exercise price and there are no contractual limits on when these rights can be exercised.

Contractual share-based compensation with vesting periods: new employee share scheme

The Company implemented a new employee share scheme during the financial year where certain share rights awarded vest after a defined service period. During the year, 1.177 million share rights under this type were granted at a weighted average grant date price of $0.68 per share right based on BPG's market share price at the time. At the end of the financial year, 55,000 share rights were fully vested and exercisable under this type. The number of share rights under this type which have been granted but not yet vested is 680,000 with an associated deferred expense totalling $159,000 and weighted average remaining vesting period of 0.53 years. Share rights under the new employee scheme have no exercise price and must be exercised three years after their respective vesting dates, otherwise they lapse (2024: no new grants under this type).

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Contractual share based compensation with non-market performance conditions: new employee share scheme

These are share rights granted under the Company's new employee scheme, but vest based on non-market performance conditions. During the financial year, 1.448 million share rights were granted and vest based on conditions linked to the Group's cash profitability and ARR targets to be met at specified dates, at a weighted average grant date price of $0.65 per share right based on BPG's market share price at the time. At the end of the financial year, 5,000 share rights were fully vested and exercisable under this type. There are no share rights under this type which are still vesting (2024: no new grants under this type). Share rights under the new employee scheme have no exercise price and must be exercised three years after their respective vesting dates, otherwise they lapse (2024: no new grants under this type).

Equity based contingent consideration

The purchase price for the Newoldstamp business acquisition included the issue of shares, contingent on criteria outlined in the sale and purchase agreement. In 2024, the terms were varied resulting in a reduction in the number of shares that were issued. In 2025 the final equity payment was made, resulting in the issue of 49,764 shares at a total value of $62,000.

Progression from other contractual share based compensation NOS

Key personnel from the company that previously owned the Newoldstamp business were contractors to the Group. These contractors received share based compensation based on service conditions. No new shares were granted under this arrangement during the year (2024: no new shares granted). These arrangements concluded in 2025 and resulted in the issue of 137,301 shares at a total value of $171,000.

Restricted shares issued to non-executive directors

Share rights under this arrangement type were issued to certain directors as part of their remuneration package. These vest based on a defined service period. A total of 204,000 share rights were granted with a weighted average grant date price of $1.26 per share right based on BPG's market share price at the time. Share rights of this type have no exercise price. These share rights are converted into shares shortly after they vest, and none were outstanding as of 31 March 2025. The number of share rights under this type which have been granted but not yet vested is 275,429, with an associated deferred expense totalling $172,000, and a weighted average remaining vesting period of 0.63 years.

The following outlines the number of, and movements in, total share rights and the total shares issued during the year subject to the vesting conditions:

	Share rights		Ordinary shares	
	2025	2024	2025	2024
Opening balance	767,734	1,415,357	763,607	1,883,156
Granted during the period	3,139,765	-	23,459	600,000
Exercised during the period	(1,058,423)	(603,919)	(187,066)	(173,427)
Modification of the NOS contingent consideration	-	-	-	(787,488)
Surrendered on acceptance of net settlement offer	(188,664)	-		-
Forfeited during the period	(877,250)	(43,704)	-	(758,634)
Closing balance	**1,783,163**	**767,734**	**600,000**	**763,607**

Significant judgement - equity classification of the Group's new share-based payment scheme

The Company's Board may offer participants 'net settlement' whereby the Company will settle the participants' tax obligations in cash and deduct the equivalent value in restricted units. While cash settlement would result in a liability for the Company to record, the net settlement feature will only be offered close to the vesting date and is at the Board's discretion. As a result the Company considers the transactions during the period to be equity-settled. In the event net settlement is offered, this will be treated as a modification to the relevant existing share arrangement.

On the date a net settlement offer is made the share rights subject to the offer, i.e. the share rights the employee surrenders in exchange for the Company settling the employee's tax obligations, are measured at their fair value. Amounts in excess of the grant date fair value of those share rights are recognised as an additional expense. During the year, the Company made an offer resulting in additional $80,000 expense. The Group settled all liabilities associated with net settlement offers as of 31 March 2025 (2024: none)

24. SHAREHOLDER WARRANTS RESERVE

The Company previously entered an agreement with Crown BP Holdings LLC (the 'Shareholder') to receive a $2.40 million loan at below-market value terms and at the same time for the Company to issue warrants to the Shareholder.

Accounting policy

Share warrants issued by the Company, classified as equity instruments, are taken directly to the share warrants reserve. Once the share warrants are exercised, the amount recognised in the reserve is transferred to share capital on issue of shares. If the share warrants are forfeited, or they expire, the amounts recognised in the reserve will be transferred to accumulated losses.

Significant judgement

The Group classified the share warrants as an equity instrument, on the basis that a fixed amount of cash is delivered in exchange for a fixed amount of shares. The warrants are settled using the Company's own equity instruments (ordinary shares) in exchange for a fixed price i.e. the exercise price. There is no obligation for the Company to purchase its own equity for cash. The number of shares the Company has to deliver is fixed i.e. one share per warrant.

The Group has applied the residual value method (see more detail below) on the basis that this arrangement is similar to a compound financial instrument. The shareholder entered into these contracts simultaneously under commercial terms, on the basis they would receive interest plus the warrants, to be a market return on their $2.40 million investment. The loan was the primary reason for the arrangement, with the issue of the warrants being secondary. The loan is considered the most reliably measurable item, as market data can be used to estimate a fair value, providing the best information on the liability incurred, with the residual amount being equity.

The Group estimated the value of the share warrants by applying the residual value method. The Company provided the share warrants in exchange for the below-market terms for the loan. The initial value of the warrants is the difference between the face value and fair value of the loan:

	$000
Face value of the shareholder loan	2,400
less the fair value of the shareholder loan(i)	(1,884)
Residual value allocated to share warrants	**516**
less warrants exercised in the previous year	(38)
less warrants exercised in the current year	(6)
Carrying value of warrants	**472**

(i) The Group settled the loan via issue of shares in the previous financial year.

25. RELATED PARTY TRANSACTIONS

A number of key management personnel, or their related parties, hold positions in other entities that result in them having control or significant influence over the financial or operating policies of those entities. A number of these entities subscribe to services provided by the Group. None of these related party transactions are significant to either party. The following are the related party transactions for the year:

Related party	Transaction or balance	Note	2025	2024
			$000	$000
Crown BP Holdings LLC	Conversion of warrants to shares	(i)	6	-
	Interest on loan provided	(i)	-	130
	Modification and loan conversion	(i)	-	2,123
Prospect Desk LLC	Data provision services provided	(i)	540	236
Auto Drive Real Estate LLC	US working spaces	(i)	18	-
Cloud Matchmaker Incorporated	Consulting services provided	(ii)	16	108
NewOldStamp Incorporated	Partner Commission	(iii)	-	1,073

(i) Timothy Crown is a director and major shareholder of the Company. He is also a director and major shareholder of Crown BP Holdings LLC and Auto Drive Real Estate LLC. He has a shareholding in Prospect Desk LLC through associated persons.

(ii) Cherryl Pressley is a shareholder and was a director (until September 2024) of the Company. She is also a director and shareholder of Cloud Matchmaker Incorporated.

(iii) Volodymyr Zastavnyy was part of the Group's key management personnel in 2024 and is a major shareholder of NewOldStamp Incorporated.

Compensation of key management personnel of the Group	2025	2024
	$000	$000
Directors' fees, salaries and wages	1,687	2,009
Share-based payment transactions	779	50
Health insurance and other benefits	21	-
Total compensation provided to key management personnel	**2,487**	**2,059**

Amounts disclosed in the table above are the amounts recognised as an expense during the reporting period related to key management personnel. Key management personnel are defined as persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including directors (executive or otherwise). No amounts arising from transactions with related parties have been written off or forgone during the year (2024: nil)

26. GOING CONCERN

The Group prepares its financial statements on a going concern basis, which assumes the Group has the ability and intention to continue operations for a period of at least 12 months from the date the consolidated financial statements are approved.

In the year ended 31 March 2025, the Group had operating cash outflows of $6.33 million (2024: $5.43 million) and incurred a net loss of $9.42 million (2024: $5.48 million). The Group's current assets exceeded its current liabilities by $4.81 million (2024: $0.85 million). The cash on hand was $6.77 million (2024: $1.85 million) and the Group also has an additional debt facility of $4.00 million to draw upon as required.

The Group's forecast is underpinned by:

- Assumed net ARR growth by the Group over it's portfolio of products including the Group's new product Bebop
- No significant growth in headcount and normal salary increases
- The Group's ability to actively manage its high amount of variable costs.

The Directors have reviewed sensitivity scenarios, including a scenario of no additional revenue, and remain confident that the Group can manage forecast variations through appropriate cost control or by leveraging the available debt facility of $4.00 million.

The Directors consider after making due enquiry and having regard to the circumstances which they consider reasonably likely to affect the Group for the foreseeable future, which is not less than 12 months from the date these financial statements are approved for issue, that the going concern assumption is valid.

27. COMMITMENTS AND CONTINGENCIES

During the year, the Group entered a contract with a software and AI development company for a minimum monthly fee of $60,000 for a period of 24 months from 1 November 2024. Work commissioned under this contract may result in capitalisable software development costs (2024: no commitments). The Group has no contingencies as of 31 March 2025 (2024: no contingencies).

28. EVENTS AFTER BALANCE DATE

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorisation.

29. CONSOLIDATED ENTITY

The consolidated financial statements of the Group include:

Name and principal activities	Country of Incorporation	Equity Interest	
		2025	2024
Black Pearl Group Incorporated The same as Black Pearl Group Limited (the parent) as described in Note 1 - but for the Group's US operations.	United States	100%	100%
Newoldstamp Limited Selling subscriptions for in-market SaaS platform that enables businesses to centrally manage their email signatures.	New Zealand	100%	100%
Bebop AI Limited An advanced AI-powered conversational platform designed to make customer discovery fast and affordable.	New Zealand	100%	-
Noir Perle Limited No operational activity, but holds the restricted share units approved for the Group's employee share scheme.	New Zealand	100%	100%

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30. CASHFLOW RECONCILIATIONS

Reconciliation of loss for the year to net cashflow from operating activities

	2025	2024
	$000	$000
Loss for the year attributable to owners	**(9,162)**	**(5,402)**
Add/(less) non-cash items included in net loss		
Depreciation and amortisation expense	891	767
Share-based payment transactions	1,289	373
Foreign exchange losses	(136)	19
Fair value measurement of contingent consideration	7	71
Gain on derecognition of financial instruments	-	(1,325)
Other non cash items	(156)	124
Total non cash items	**1,894**	**29**
Add/(less) movements in working capital items		
(Increase)/decrease in receivables	(328)	(63)
(Increase)/decrease in prepayments	(180)	(103)
Increase/(decrease) in payables	1,255	(60)
Increase/(decrease) in employee entitlements	129	48
Increase/(decrease) in contract liabilities	62	126
Net movement in working capital	**938**	**(52)**
Net cash outflow from operating activities	**(6,330)**	**(5,425)**

Reconciliation of movements of liabilities to cash flows arising from financing activities

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	Lease liabilities	Loans and borrowings	Contingent consideration
	$000	$000	$000
Opening balance at 1 April 2024	**133**	**363**	**55**
Cashflows from financing activities			
Proceeds	-	1,000	-
Repayments	(151)	(156)	-
Loan establishment fee		(30)	-
Net cash from financing activities	**(151)**	**814**	**-**
Other changes			
Lease additions during the year	602	-	-
Lease terminations during the year	(46)	-	-
Interest accrued	31	97	-
Interest paid disclosed as part of operating activities	(31)	-	-
Credit card repayments disclosed as part of operating activities	-	(27)	-
Fair value adjustments	-	23	7
Contingent consideration issued as shares	-	-	(62)
Total other changes	**556**	**93**	**(55)**
Carrying value at 31 March 2025	**538**	**1,270**	**-**
Opening balance at 1 April 2023	**-**	**2,386**	**1,059**
Cashflows from financing activities			
Repayments	(41)	(33)	-
Total cashflows from financing activities	**(41)**	**(33)**	**-**
Other changes			
Lease additions during the year	174	-	-
Interest accrued	6	126	-
Interest paid disclosed as part of operating activities	(6)	-	-
Fair value adjustments	-	6	71
Modification of deferred consideration	-	-	(1,003)
Issue of ordinary shares	-	-	(72)
Conversation of shareholder loan to equity	-	(2,122)	-
Total other changes	**174**	**(1,990)**	**(1,004)**
Closing balance at 31 March 2024	**133**	**363**	**55**

Company Directory

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4064918

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Nicholas Lissette
Timothy Crown
Mark Osborne
Hugo Fisher
Jyllene Miller (appointed 10 September 2024)

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Thank You — Ad Astra

Blackpearl Group 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), Blackpearl Group consistently delivers exceptional value to its customers. Our mantra is simple: 'Creating Motivating Opportunities.'

Blackpearl creates the opportunities that motivate action. We create high-impact products that pivot at speed to serve what businesses really need, kick-starting action – turning data into dollars.

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

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