MOMENTUM FOR TOMORROW

BLACK PEARL GROUP ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024

Welcome to Blackpearl Group's Annual Report for the Financial Year End 31 March 2024.

We have titled this report 'Momentum for Tomorrow'. While our growth numbers and key metrics are notable, we consider our greatest success to be how we have positioned ourselves to rapidly scale in FY25 and beyond. Central to that growth is data and generative AI - which BPG uses to help our customers find more customers. With generative AI, the event horizon is so close, and the possibilities feel infinite. When is the last time humankind has been at the brink of something that has felt so vast? The first thing that came to our minds was the Space Race of the 1950s/1960s.

There isn't an industry that will not be revolutionised by this. With this new age comes boundless opportunities, and Blackpearl Group has positioned itself to seize these opportunities with cutting-edge technology and a talented team. We empower businesses to turn data into dollars, propelling them towards success in an ever-evolving market landscape.

Join us on this journey as we showcase our achievements, vision for the future, and readiness for significant growth.

Ad Astra – to the stars

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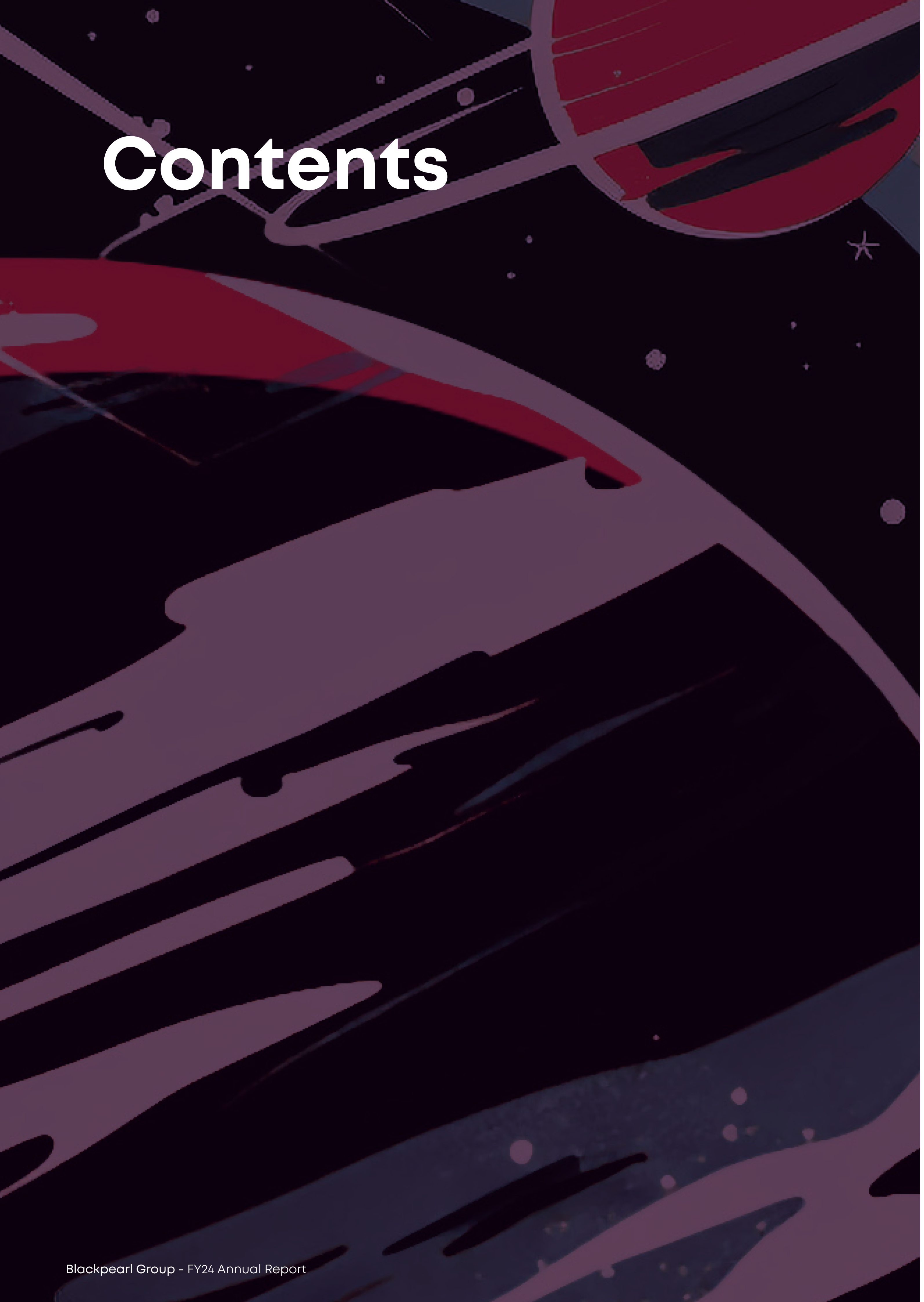


Financial highlights

1 April 2023 — 31 March 2024

Subscription Revenue

$4.1m

183% increase YoY
Previously $1.4m in FY23

Annual Recurring Revenue

$7.4m

As of 31 March 2024
177% increase YoY
Previously $2.7m in FY23

Annual Recurring Revenue Per Employee

$230k

As of 31 March 2024
359% increase YoY

Revenue Churn

4.0%

As of 31 March 2024
Churn has increased 0.9ppt YOY
Previously 3.1% as of 31 March 2023

Gross Profit Margin

71%

For FY24
Previously 49% in FY23

Top 10 Customers % of Revenue

10%

As of 31 March 2024
Up from 5% in FY23

Note:

- Comparative figures relate to FY23 unless otherwise stated
- ppt stands for percentage points

Letter from the Chair

Dear Shareholders,

As we stand on the brink of the next significant growth phase in the technology industry, I am pleased to present Blackpearl Group's annual report for the year ended 31 March 2024 (FY24). The era of generative AI has arrived, and its influence is permeating every industry that technology touches, revolutionising every application, process, and operation.

Over the years, we have witnessed many paradigm shifts, and generative AI promises to be one of the most profound. While the exact moment it hits full force remains uncertain, it is not a question of if, but when. The industry is always ahead, planning, organising, and preparing for these advancements. Industry forecasts predict that the technology sector could double or even quadruple over the next decade.

For Blackpearl Group, our focus remains on creating value for our clients. We aim to help them achieve revenue growth through the strategic integration of technology and generative AI. The US market, known for its entrepreneurial spirit and startup culture, provides fertile ground for our long-term growth strategy. Targeting small to mid-sized businesses in the US ensures a steady influx of new clients and opportunities, making this a defensible and sustainable approach. This is evident in the success of our product, Pearl Diver, which has reached $4.9 million in ARR within 13 months of its launch in the US SME market.

My focus has always been on creating long-term sustainable value in the companies we invest in and grow. When we invest in a business, we plan on being in that business for a very long time, if not forever. Blackpearl Group is in the best market in the world, offering great products and services, and with Generative AI, we will have even more momentum behind us.

Here's to another great year and an exciting decade ahead.

Sincerely,
Tim Crown

Letter from the CEO

Dear Shareholders,

Our Chairman, Tim Crown, typically ends our calls by signing off with his ethos: "Raise revenue, cut costs, do it at scale."

I'm proud of our FY24 results and key metrics; we have raised revenue and been prudent with investment and operational expenditure. However, we recognise that we have not yet reached the scale we aspire to achieve. As such, we view our FY24 results as indicators that our business model is on point and the market is eager for our services. It's now time to aggressively pursue scale.

One of my mantras is, "Luck is what happens when preparation meets opportunity." Blackpearl Group has invested over $25 million in creating its proprietary data platform, Pearl Engine, supported by a component-based code library. It ingests data and enables the rapid creation of new features and products, leveraging various software components, design assets, and data sets. This investment provides three key advantages: cost efficiency, speed, and flexibility.

When we saw a market opportunity for an affordable prospect identification platform, we were able to immediately capitalize on it. Pearl Diver, the service we created to fill this gap in the market, was able to accumulate almost $5 million in annual recurring revenue in 13 months from its inception.

We will continue to leverage Pearl Engine to introduce new technologies and products that meet evolving market needs. In one of the world's most dynamic markets — data and AI-driven services for the USA — we are witnessing significant disruption as regulators tighten controls on third-party data. Businesses must now build their own first-party data profiles to drive marketing, sales, and decision-making effectively.

This is exactly what Blackpearl Group does and has always done. We champion businesses' access to first-party data and make it easy for them to turn data into dollars.

The moment is ours to seize. Thank you for your continued support.

Kind regards,
Nick Lissette

Who we are

Blackpearl Group is a next-generation SaaS company creating value at the intersection of technology, data, and talent.

Blackpearl Group creates productivity and demand generation applications for small and medium-sized businesses (SMEs) in the USA.

Our proprietary platform, Pearl Engine, is the cornerstone of growth for our built and acquired technologies, helping our customers find more customers and turning data into dollars.

Our Vision

Better growth, together

Our Mission

To democratise data by empowering businesses of all sizes to turn data into dollars. We do this by making it simple to find, analyse, and act on their data to drive business growth.

How we create value

Empowering innovation

At the heart of Blackpearl Group's technological advantage lies the Pearl Engine, a proprietary data technology platform designed to accelerate product development and enhance market responsiveness.

The Pearl Engine integrates diverse software components, design assets, and datasets, enabling rapid iteration and customisation of market-facing products. Its importance is that the components can be used in almost infinite combinations at only marginal additional cost. For non-technical readers, a good analogy to understanding the Pearl Engine's significance is automotive manufacturing.

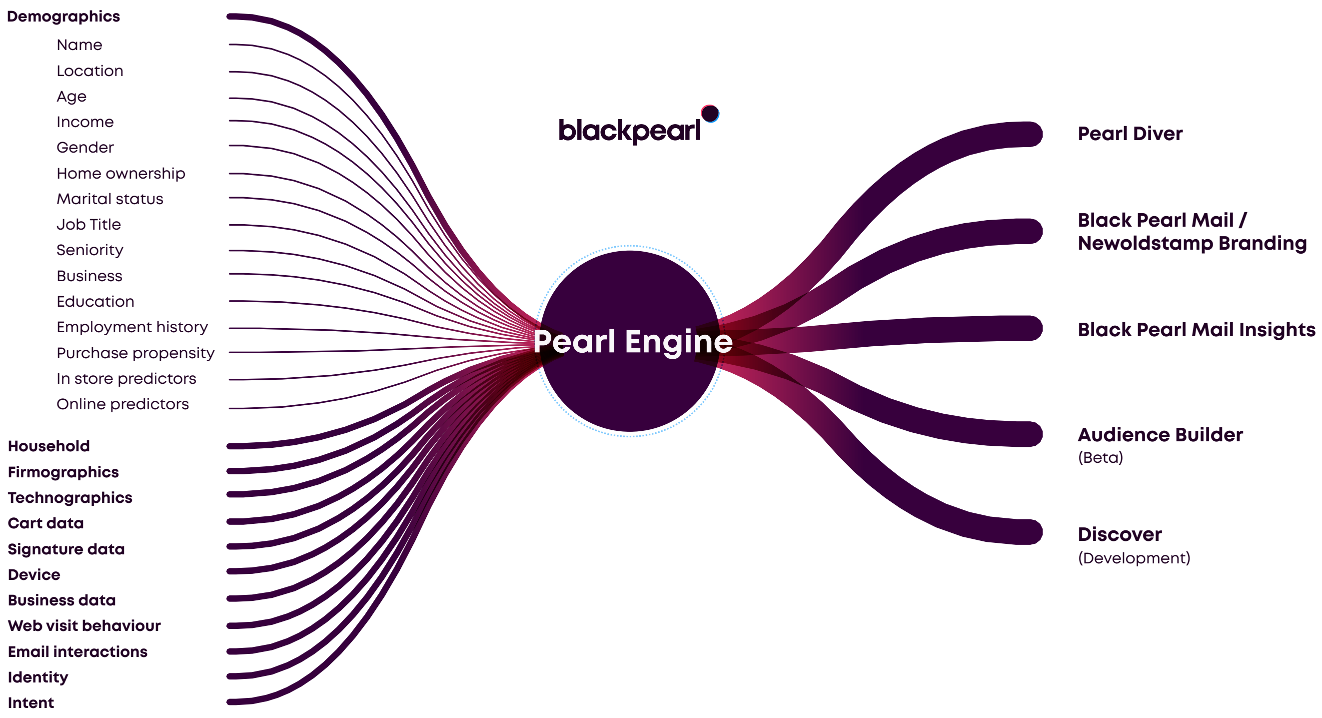
Initially, cars were made in a bespoke manner, which was expensive and slow. Henry Ford revolutionised automotive manufacturing with the production line, radically improving production speed and costs but limiting Ford's ability to innovate and evolve, as their production line could only produce one model of car in one colour. By contrast, modern automotive manufacturing, like Tesla's Gigafactories, uses shared parts and platforms across models, allowing for rapid response to market demands. For example, Tesla's Model 3 and Model Y share the same chassis, battery, and powertrain, enabling flexibility and efficiency. This modern system is known as platform sharing and modular manufacturing.

This practice, common in the automotive industry, is rare among SaaS companies, which typically build 'one-off' products. Pearl Engine, however, provides a significant strategic advantage by enabling the creation of new technology that, when combined with existing components, meets new market demands efficiently and flexibly.

The strategic benefits of the Pearl Engine include:

Cost Efficiency	Streamlining product development cycles and reducing operational costs through reusable components.
Speed	Allows swift adaptation to market needs and accelerating time-to-market for new offerings.
Flexibility	Allowing for agile adjustments and scalability in response to evolving customer preferences and industry trends.

While Pearl Diver remains a flagship product generating substantial Annual Recurring Revenue (ARR), the Pearl Engine empowers Blackpearl Group to continuously innovate and expand its portfolio to meet emerging market demands effectively.



Proven Go-to-Market Strategy

Blackpearl Group's go-to-market strategy remains targeted and niche-focused, leveraging its deep understanding of the SME market in the USA. This approach ensures precision in customer acquisition and retention efforts, further solidifying the company's market position and shareholder value.

Proof Metrics

As evidenced by key metrics

$7.4m ARR

Achieved significant growth, marking a 177% year-on-year increase.

13 Months

Pearl Diver achieved $4.9 million ARR just 13 months post-launch.

71%

Gross Profit Margin, up from 49% in the previous fiscal year.

$230k

Annual Recurring Revenue Per Employee, 359% increase YoY.

What our customers say

Our niche lies in addressing the unique challenges faced by SMEs within the USA market. With approximately 33 million businesses in this segment, many struggle to achieve cost-effectiveness and ROI from traditional marketing and sales methods. Blackpearl Group offers innovative solutions that empower these businesses to transition from relying on third-party data to harnessing the power of first-party data. This approach not only enhances their marketing efficiency but also drives better results.

Below are testimonials from our customers that highlight the product-market fit we have achieved.

“Pearl diver is the future of all companies.”

Small-Business Owner

“This will be a fundamental part of our company’s future growth.”

Small-Business Owner

“Their responsiveness and commitment to addressing our specific needs, even in different time zones, has been exceptional.”

Mid-Market Head of Sales

“This service has proven to be a game-changer for our market research and competitive analysis efforts.”

Mid-Market CMO

“An invaluable asset for our global company. ”

Small-Business Owner

“Pearl Diver has proven to be a valuable asset for us to understand our global reach and impact in various markets at a state-by-state level. ”

Mid-Market CMO

Our Board

Tim Crown | Chairman

Tim Crown was appointed Chairman of the Blackpearl Group board on 2 January 2020. He is the co-founder and current Chairman of the Insight Enterprises Board, a global IT solutions company listed on the Fortune 500 and publicly traded on NASDAQ. Insight Enterprises employs over 10,000 professionals in 19 countries and achieved over US $9.4 billion in net sales in 2021.

In addition to his role at Insight, Tim holds leadership positions at Redcatracing.com, Stormwind.com, Nocira.com, Coplex.com, and the Crown Foundation, a charitable organisation providing educational services in the USA. Tim initiated the establishment of the 501(c)3 Summit School of Ahwatukee in 2000, recognised with national and state-level awards for educational excellence.

Based in Arizona, USA, Tim brings extensive experience and leadership to Blackpearl Group. He serves on the Audit and Risk Committee and the Remuneration Committee. Tim is a non-independent director.

Nick Lissette | Director and Chief Executive Officer

Nick Lissette is the founder and Chief Executive Officer of Blackpearl Group. With over a decade of experience in data and AI technology, Nick established Silver Cloud Mail Company in 2006, a successful anti-spam SaaS service sold in 2012. He later founded Blackpearl Group, overseeing its initial capitalisation and the development of the Pearl Engine technology.

Nick is a Member of the New Zealand Institute of Directors and holds a Bachelor's degree from Victoria University of Wellington. Nick serves on the Blackpearl Group Board as an Executive Director.

Mark Osborne | Director

Mark Osborne was appointed as a director on 24 November 2022. He brings over 25 years of experience in financial policy and governance, both locally and globally. Mark's career spans roles in asset management, project management, and financial oversight across various sectors, reflecting his deep knowledge in strategic financial management.

Mark is a Director of Northland Inc Limited. His leadership is marked by successful delivery of significant community facilities and management of complex projects from inception to operation.

Residing in New Zealand, Mark is an independent director. He currently chairs the Audit and risk Committee and the Remuneration Committe, leveraging his extensive financial acumen and strategic oversight.

Hugo Fisher | Director

Hugo was appointed as a director on 18 July 2023. He has over 25 years' experience in financial and investment markets, working with institutional investors in New Zealand, Australia, Asia, and the United States. His experience spans a variety of sectors, including KiwiSaver providers, institutional investors, US mutual funds, multi-strategy hedge funds, private equity, and venture capital investors.

Hugo has built a vast network of trusted financial markets and investment industry participants globally. His expertise includes providing investor targeting services to corporations in New Zealand, Australia, and Asia, as well as managing listed equity, venture capital, and private equity investments for high net worth individuals and family offices worldwide.

Residing in New Zealand, Hugo holds a Bachelor of Commerce and a Bachelor of Arts from the University of Otago, and a Post Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia (SIA). Hugo is an independent director.

Cherryl Pressley | Director

Cherryl was appointed as a director on 24 November 2022. She has over 25 years of business experience in the technology industry. Most recently, Cherryl was Chief Revenue Officer at Blackpearl Group until March 2024, before transitioning back to a Non-Executive Director role. Prior to this, she was Head of Scaled Partnerships at Google. She spent 14 years at Microsoft in senior leadership roles, including Senior Director of Worldwide Distribution and Channels, where she led the channel sales team to achieve over $1 billion in cloud revenue.

Cherryl also led Worldwide Engineering Support for Microsoft's global dynamics business. She has been a member of Blackpearl Group's Advisory Board since 2016 and served as Chief Executive Officer of Black Pearl Mail, Inc. from February 2019 to September 2020.

Cherryl has been a Board Director for DRS Services USA, Inc. since 2015. She resides in Arizona, USA. Cherryl is a non-independent director.

Our Leadership Team

Nick Lissette
Chief Executive Officer

Karen Cargill
Chief Financial Officer

Sam Daish
Chief Technology Officer

Johnson Saju
VP of Operations

Tori Colebourne
Chief Marketing Officer

Blackpearl Group - **FY24 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 (1 April 2023) (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 2024. The Board considers that for the 12 months ended 31 March 2024 (FY24), 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.

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 have greater restrictions on trading in any financial products under this policy except in the 30 day period commencing on the first day of trading after results have been publicly released or a retail offer has been released to the market (Trading Windows).
- Blackpearl Group's people are less likely to receive approval to trade any financial products during any time outside of these Trading Windows.
- Blackpearl Group's people are highly unlikely to receive approval to trade any financial products during the period commencing 30 days prior to the balance date of the Company's full year and where applicable, half year results, until those results have been publicly released.

Details of matters entered into the Interests Register by individual Directors during FY24 are outlined on pages 37 and 38 of the annual report.

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/investor-centre/.

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 2024, 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 2024, females represented 40% of Directors and officers of Blackpearl Group. Blackpearl Group has 30 employees of which 63% are male and 37% are female.

The following table outlines the gender composition of Directors and officers as at 31 March 2024:

	As at 31 March 2024		As at 31 March 2023	
	Directors	**Executive Team**	**Directors**	**Executive Team**
Male	4	2	3	3
Female	1	3	1	1
Total	**5**	**5**	**4**	**4**

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.

As Blackpearl Group is only in its second year as a listed company, the Board has been focused on being in a high growth position with new products in domestic and international markets and growing as a listed company. As the Directors have more capacity in their roles further training and educational opportunities will be pursued.

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 2024, the Board comprised of the following five Directors:

Tim Crown	Non-Independent Non-Executive Director and Acting Chair	Appointed 2 January 2020
Nick Lissette	Non-Independent Executive Director and CEO	Appointed 25 October 2012
Cherryl Pressley	Non-Independent Executive Director and CRO	Appointed 24 November 2022
Mark Osborne	Independent Non-Executive Director	Appointed 24 November 2022
Hugo Fisher	Independent Non-Executive Director	Appointed 18 July 2023

The Board considers two of Blackpearl Group's Directors to be independent for the purposes of the NZX Listing Rules, being Mark Osborne and Hugo Fisher. 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, Nick Lissette and Cherryl Pressley are non-independent Directors.

The Board considers that, although it does not have a majority of independent Board members as per Recommendation 2.8 of the NZX Code (and Blackpearl Group has not followed that recommendation since listing), it has the right balance for the current size and structure of the Blackpearl Group.

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.

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

The Board should hold at least 8 meetings each year. This year only 7 formal meetings were held but 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 FY24. Hugo Fisher was only appointed as a Director on 18 July 2023:

	Board Meetings	Audit and Risk Committee	Remuneration Committee
Total number of meetings held	**7**	**2**	**2**
Tim Crown	6	1	2
Nick Lissette	7	2	1
Cherryl Pressley	6	1	-
Mark Osborne	7	2	2
Hugo Fisher	5	2	1

Recommendation 3.6 - Takeover Protocols

In the case of a takeover offer, Blackpearl Group will form an independent Takeover Committee to oversee a response to the offer and engage expert legal and financial advisors to provide advice and ensure compliance with the Takeovers Code.

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/investor-centre/.

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.

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 2024, 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 a pre-listing employee share rights scheme under which Blackpearl Group has granted current or former employees and independent contractors rights to shares (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 FY24, 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 FY24. The amount of fees paid to William Buck during FY24 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/investor-centre/. 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 26 May 2023, Blackpearl Group announced an up to $2.2 million equity raise under a private placement (May-June Placement). The May-June Placement was oversubscribed. On 6 October 2023, Blackpearl Group announced an up to $4 million equity raise under a private placement (October Placement) and Share Purchase Plan (SPP). Blackpearl Group raised approximately $1.74 million under the October Placement, and approximately $2.1 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, Blackpearl Group's objective to further diversify its share register to promote increased support for Blackpearl Group and increased liquidity. The SPP endeavoured to treat existing shareholders fairly via an allocation policy that preferred existing shareholders in the event of scaling.

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. The Board will look to give all 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 2024. 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

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.

For the two years from 1 December 2022 (i.e. 1 December 2022 to 30 November 2024), the Board resolved to allocate the Director fee pool 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; and
- 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.

Restricted Shares

The restricted shares issued to Tim Crown, Cherryl Pressley and Mark Osborne have an issue price of NZ$1.25 per restricted share and the restricted shares issued to Hugo Fisher have an issue price of NZ$0.42 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 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

Director Remuneration

The table below sets out the total of the remuneration and the value of other benefits received by each Director during the financial year to 31 March 2024. The Board Charter provides that no sum is paid to any non-executive Director upon retirement or cessation of office.

Director	Board Fees	Other Benefits[1]	Total FY24	Date Appointed
Tim Crown	-	$180,000[2]	$180,000	Appointed 2 January 2020
Nick Lissette	-	$451,870[3]	$451,870	Appointed 25 October 2012
Cherryl Pressley	$11,667	$288,704[4]	$300,371	Appointed 24 November 2022
Mark Osborne	$40,000	$30,000[5]	$70,000	Appointed 24 November 2022
Hugo Fisher	$28,333	$21,250[6]	$49,583	Appointed 18 July 2023
Total	**$80,000**	**$971,824**	**$1,051,824**	

1. The board does not pay committee fees
2. Tim Crown was issued 288,000 fully paid restricted shares as part of the Director remuneration package as described above. The value of the restricted shares reflects the value as at the FY24 period.
3. Nick Lissette received $451,870 as the CEO of Blackpearl Group as at the FY24 period.
4. Cherryl Pressley was a non executive director from 1 April 2023 to 17 July 2023 and was paid her Board fees for this period only in FY24. From 18 July 2023 to 31 March 2024 Cherryl received a salary of $258,704 for her role as the CRO of Blackpearl Group. Cherryl was issued 48,000 fully paid restricted shares as part of the Director Remuneration package as described above. The value of the restricted shares reflects the value as at the FY24 period.
5. Mark Osborne was issued 48,000 fully paid restricted shares as part of the Director remuneration package as described above. The value of the restricted shares reflects the value as at the FY24 period.
6. Hugo Fisher was issued 142,857 fully paid restricted shares as part of the Director remuneration package as described above. The value of the restricted shares reflects the value as at the FY24 period.

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 2024, an existing employee share rights scheme (Pre-Listing Share Rights Scheme), 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.

CEO/Executive Director Remuneration Disclosure

Nick Lissette is the CEO as at 31 March 2024. 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*	Total Remuneration
Nick Lissette	$366,870	$85,000	$451,870

*The purpose of the Short-Term Incentive was that it was used to cover tax liabilities generated on shares earned from the Pre-Listing Share Rights Scheme.

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 2024 that in value was or exceeded $100,000 per annum.

Remuneration	FY24 No. of Employees	FY23 No. of Employees
$100,001 - $110,000	2	7
$110,001 - $120,000	-	2
$120,001 - $130,000	1	-
$130,001 - $140,000	3	3
$140,001 - $150,000	1	3
$150,001 - $160,000	2	-
$160,001 - $170,000	1	1
$170,001 - $180,000	1	1
$180,001 - $190,000	3	-
$190,001 - $200,000	1	1
$200,001 - $210,000	1	1
$210,001 - $220,000	-	2
$220,001 - $230,000	2	-
$260,001 - $270,000	1	-
$270,001 - $280,000	1	1
$280,001 - $290,000	-	1
$540,001 - $550,000	-	1

Disclosures

Directors

The following persons were Directors of Blackpearl Group as at 31 March 2024:

Director	
Tim Crown	Non-Independent Non-Executive Director and Chair
Nick Lissette	Non-Independent Executive Director and CEO
Cherryl Pressley	Non-Independent Executive Director and CRO
Mark Osborne	Independent Non-Executive Director
Hugo Fisher	Independent Non-Executive Director

Disclosure Of Interests 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 2024. Particulars of entries made during the year to 31 March 2024 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
	Trovo Data, LLC	Shareholder
	Trovo Data Holdings, Inc	Director/Shareholder
	5x5 US, LLC	Shareholder
	Prospect Desk, LLC	Shareholder
	(Ohana Farm, LLC)	(Shareholder)
Nick Lissette	Black Pearl Group Limited	Director/Shareholder/CEO
	Black Pearl Mail, Inc	Director
	Newoldstamp Limited	Director
	The Better Wine Company New Zealand Limited	Director/Shareholder
	NJL Limited	Director
	Nicholas John Lissette and Karen Islay Cargill as Trustees of the Per Aspera Ad Astra Trust	Trustee
Cherryl Pressley	Black Pearl Group Limited	Director/Shareholder
	(Cloud Matchmaker, Inc)	(Director/Shareholder)
Mark Osborne	Black Pearl Group Limited	Director/Shareholder
	(Noir Perle Limited)	(Director)
	(Northland Inc Limited)	(Director)
	Te Ahu Charitable Trust	Director
	Doubtless Beauty Limited	Director
	Doubtless Consulting Limited	Director
	Top End Tours Limited	Director
	FLGX BOI Limited	Director
Hugo Fisher	(Black Pearl Group Limited)	(Director)
	(Greenmount Capital Limited)	(Managing Director)
	(Golden Horse Minerals)	(Shareholder)
	(Iris TV)	(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.

Directors' Share Dealings

In accordance with the Companies Act 1993 between 1 April 2023 and 31 March 2024 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	553,305	$0.42	26 June 2023
	Promissory Note converted to ordinary shares	3,839,788	$0.63	6 September 2023
	Ordinary Shares issued	553,305	$0.51	19 October 2023
	Ordinary Shares issued on conversion of Restricted Shares	144,000	$1.25	4 December 2023
Nick Lissette	Issue of shares from pre- listing employee share scheme	450,995	N/A	19 April 2023
Cherryl Pressley	Ordinary Shares issued on conversion of Restricted Shares	24,000	$1.25	4 December 2023
Mark Osborne	Ordinary Shares issued on conversion of Restricted Shares	24,000	$1.25	4 December 2023
Hugo Fisher	Restricted Shares issued	50,595	$0.42	17 July 2023

Directors' Shareholdings Interests

As at 31 March 2024 the Directors of the Company had the following relevant interests in the Company's Ordinary Shares, Restricted Shares and Warrants.

Director	Legal Ownership or other Nature of the Interest	Ordinary Shares	Restricted Shares	Warrants*
Tim Crown	Registered holder and beneficial owner of Restricted Shares. 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	7,801,503	48,000	1,787,629
Nick Lissette	Has a relevant interest in the Ordinary Shares 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.	2,496,955	-	-
Cherryl Pressley	Registered holder and beneficial owner of Restricted Shares. Registered holder and beneficial owner of Ordinary Shares.	64,790	8,000	-
Mark Osborne	Registered holder and beneficial owner of Restricted Shares. Registered holder and beneficial owner of Ordinary Shares.	31,995	8,000	-
Hugo Fisher	Registered holder and beneficial owner of Restricted Shares. Beneficial owner of Ordinary Shares.	45,000	50,595	-

* 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 2024. 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

Spread Of Security Holders

As at 31 March 2024:

Size of Shareholding	Number of Holders	% of Shareholders	Total Shares Held	% of Shares
1-1,000	23	8.05%	14,911	0.03%
1,001-5,000	53	18.53%	163,846	0.31%
5,001-10,000	47	16.43%	396,805	0.74%
10,001-50,000	81	28.32%	1,994,115	3.74%
50,001-100,000	20	6.99%	1,565,353	2.94%
100,001 or more	62	21.68%	49,174,407	92.24%
Total	**286**	**100.00%**	**53,309,437**	**100.00%**

Top 20 Shareholders

The names and holdings of the twenty largest registered shareholders in the Company as at 31 March 2024 were:

Rank	Shareholder	Total Shares Held	% of Shares
1	Crown BP Holdings LLC	7,104,198	13.33%
2	New Zealand Central Securities Depository Limited	4,396,435	8.25%
3	VTPE Investments LLC	4,130,028	7.75%
4	New Zealand Depository Nominee	3,923,106	7.36%
5	Nicholas John Lissette & Karen Islay Cargill	2,496,955	4.68%
6	Sir Owen George Glenn	2,403,720	4.51%
7	Allan Raymond Smith & Neil William Welch	1,798,145	3.37%
8	Vance Justin Murdoch & Karen Lisa Murdoch	1,490,085	2.80%
9	Shane D Bruhns & Georgina F Bruhns & Margot J Thompson & Scott W Bruhns	1,377,139	2.58%
10	Ghwe Capital Pty Ltd	1,081,991	2.03%
11	Neil Andrew Richardson	958,914	1.80%
12	Lance Revel Lissette	907,586	1.70%
13	Targa Investments Limited	906,130	1.70%
14	JBWERE (NZ) Nominees Limited	808,614	1.52%
15	Bunger Family Investments LLC	719,586	1.35%
16	Volodymyr Zastavnyy	703,634	1.32%
17	The Gerald R. Meek & Carolyn R. Meek Family Trust Paul James Fraser & Kevin Robert Smith	690,523	1.30%
18	Gentry Investments Limited	640,783	1.20%
19	Paul James Fraser & Kevin Robert Smith	610,399	1.15%
20	Leveraged Equities Finance Limited	591,794	1.11%

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 FY24 and the Company's share register as at 31 March 2024. As at 31 March 2024, 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 2024 was 53,309,437.

Substantial Product Holder	Number of Shares	% of Issued Shares
Crown BP Holdings LLC	7,801,503	14.63%
VTPE Investments LLC	4,130,028	7.75%
Karen Islay Cargill as Trustee of the Per Aspera Ad Astra Trust and Kinloch Laggan Trust	2,734,413	5.13%

Other Information

Auditor's Fees

For FY24, 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 2024, the amount payable by Blackpearl Group to William Buck as audit and review fees was $88,000. The amount of fees payable to William Buck for non-audit work during the year ended 31 March 2024 was $0.

Donations

No donations were made by the Company and its subsidiaries during the year ended 31 March 2024.

NZX Waivers

There were no waivers granted by NZX or relied on by the Company in the 12 months preceding 31 March 2024.

Consolidated Financial Statements

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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 2024, 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 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 2024,

— the consolidated statement of Profit or Loss and 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 the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)* (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. 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, Black Pearl Group Limited or any of its subsidiaries.

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Material uncertainty related to going concern

We draw attention to Note 29 in the consolidated financial statements, which states that in the year ended 31 March 2024 the Group had operating cash outflows of $5,425,035 and incurred a total comprehensive loss for the year of $5,475,331. As stated in Note 29, these matters and other events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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. In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Contingent Consideration	**Area of focus (refer also to notes 7, 17 & 18)** In August 2023 the Group entered into agreements varying the terms related to the acquisition of NewOldStamp. This resulted in the derecognition of the original contingent consideration liability and recognition of a new financial liability, resulting in a $1.0m gain recognised in the Statement of Profit or Loss. The process to determine the appropriate accounting treatment in the financial statements involves significant technical complexity and judgement. We therefore considered this to be a key audit matter.	**How our audit addressed the key audit matter** Our audit procedures included: — Reviewed the terms and conditions of the Deed of Amendment of the Agreement for Sale and Purchase of Business, Services Agreement and Restricted Security Deed — Assessed management's analysis of the accounting treatment of these agreements for compliance with NZ IFRS and considered alternative treatment — Tested the calculations and basis of recognition of the new financial liability — Assessed that appropriate disclosure has been included in the financial statements
Shareholder Loan	**Area of focus (refer also to notes 7 & 22)** In April 2023 the Group modified the terms of a $2.4m shareholder loan by deferring the repayment term by 12 months. This resulted in a $0.3m gain being recognised by the Group. In September 2023 the terms of this shareholder loan were further amended to add a conversion feature giving the	**How our audit addressed the key audit matter** Our audit procedures included: — Reviewed the underlying supporting documentation of the transactions and investigated whether the accounting treatment was in compliance with NZ IFRS and considered alternative treatment

	shareholder an option, at their sole discretion, to convert the outstanding loan balance into ordinary shares of the Company at any date before maturity with an exercise price of $0.63. The shareholder fully converted the loan on 6 September 2023 and the Group recognised the ordinary shares at the carrying value of the loan at the conversion date. This resulted in additional share capital of $1.8m being recognised. The process to determine the appropriate accounting treatment in the financial statements involves technical complexity and judgement. We therefore consider this to be a key audit matter.	— Assessed that appropriate disclosure has been included in the financial statements
Intangible assets	**Area of focus (refer also to notes 15 & 19)** The Group has $0.9m of intangible assets for customer contracts relating to the NewOldStamp acquisition that are being amortised over 2.5 years. The Group also has $0.6m of capitalised software development costs that are being amortised over 10 years. In addition, there is $2.6m of goodwill recorded arising from the acquisition of NewOldStamp that is not being amortised. Because of the significance to the financial statements of these balances and the judgements and assumptions which need to be applied in determining the recoverable amounts of the cash generating units to which these intangibles are allocated 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 key assumptions included in the Group's impairment assessment by comparison with historical data and trends — Completed sensitivity analysis on key assumptions including the discount rate applied and revenue growth rates — Reviewed the level of variable expenditures that the Group has ability to adjust over time — Assessed that appropriate disclosure has been included in the financial statements

Other information

The directors are responsible for the other information. The other information comprises the sections Financial Highlights, Year in review, Who we are, How we create value, How we performed, Our Board, Our leadership team, Corporate Governance Statement, Additional Statutory Information and Company Directory, 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 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 » XRB

This description forms part of our auditor's report. The engagement director 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

27 June 2024

Consolidated Statement of Profit or Loss

For the year ended 31 March 2024

	Notes	2024	2023
		$	$
Subscription revenue	6	4,053,020	1,430,746
Cost of sales			
Reseller commissions		(331,803)	(40,770)
Personnel expenses	8	(284,304)	(234,060)
Hosting and server costs		(381,555)	(382,151)
Merchant bank fees		(164,006)	(73,036)
Gross profit		**2,891,352**	**700,729**
Other revenue	7	1,424,049	179,888
Personnel expenses	8	(3,322,320)	(3,590,928)
Operating expenses	9	(3,879,023)	(2,597,690)
Administrative expenses	9	(2,378,366)	(1,730,129)
Finance income	10	26,358	2,822
Finance costs	10	(163,848)	(135,362)
Loss before income tax		**(5,401,798)**	**(7,170,670)**
Net income tax credit	11	-	270,022
Loss for the year		**(5,401,798)**	**(6,900,648)**
Earnings per share		**2024**	**2023**
Basic loss for the year attributable to owners	25	(0.12)	(0.21)
Diluted loss for the year attributable to owners	25	(0.12)	(0.21)

The accompanying notes form part of these consolidated financial statements.

Consolidated Statement of Other Comprehensive Income

For the year ended 31 March 2024

	2024	2023
	$	$
Loss for the year	**(5,401,798)**	**(6,900,648)**
Other comprehensive income that may be subsequently reclassified through profit or loss		
Exchange differences on translation of foreign operations	(73,532)	(103,725)
Total comprehensive loss for the year	**(5,475,330)**	**(7,004,373)**

Consolidated Statement of Financial Position

As at 31 March 2024

	Notes	At 31 March 2024	At 31 March 2023
		$	$
Assets			
Current assets			
Cash and cash equivalents	12	1,854,458	1,759,268
Trade and other receivables	13	368,468	301,599
Income tax receivable		-	3,846
Prepayments		173,376	69,828
Total current assets		**2,396,302**	**2,134,541**
Non-current assets			
Property, plant and equipment	14	32,377	21,597
Goodwill	15	2,872,493	2,872,493
Intangible assets	15	1,295,751	1,659,872
Right-of-use assets	16	130,874	-
Total non-current assets		**4,331,495**	**4,553,962**
Total assets		**6,727,797**	**6,688,503**
Liabilities			
Current liabilities			
Trade and other payables	20	450,878	511,008
Employee entitlements	21	243,123	195,313
Lease liabilities	16	133,282	-
Current contingent consideration	18	24,461	576,941
Current loans and borrowings	22	82,877	1,291,790
Contract liabilities	6	607,825	481,402
Total current liabilities		**1,542,446**	**3,056,454**
Non-current liabilities			
Non-current contingent consideration	18	30,451	481,919
Non-current loans and borrowings	22	283,733	1,093,907
Total non-current liabilities		**314,184**	**1,575,826**
Total liabilities		**1,856,630**	**4,632,280**

Consolidated Statement of Financial Position

As at 31 March 2024

	Notes	At 31 March 2024	At 31 March 2023
		$	$
Equity			
Share capital	24	37,493,168	28,545,173
Accumulated losses		(34,214,186)	(29,796,748)
Share based payment reserve	26	1,082,889	2,687,853
Shareholder warrants reserve	27	478,394	515,511
Foreign currency translation reserve		30,902	104,434
Equity attributable to the owners		**4,871,167**	**2,056,223**
Total liabilities and equity		**6,727,797**	**6,688,503**

Signed for and on behalf of the board:

Nicholas Lissette

Date: 27 June 2024

Timothy Crown

Date: 27 June 2024

Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Notes	Share capital	Accumulated losses	Share based payment reserve	Share warrants reserve	Foreign currency translation reserve	Total
		$	$	$	$	$	$
Balance at 31 March 2023		**28,545,173**	**(29,796,748)**	**2,687,853**	**515,511**	**104,434**	**2,056,223**
Loss for the year		-	(5,401,798)	-	-	-	(5,401,798)
Translation differences of foreign operations		-	-	-	-	(73,532)	(73,532)
Transactions with owners in their capacity as owners							
Issue of share capital	24	6,088,149	-	(754,049)	-	-	5,334,100
Shares issued on conversion of loan	22	1,800,735	-	-	-	-	1,800,735
Share based payments	26	994,049	-	133,445	-	-	1,127,494
Issue of share capital for liability classified contingent consideration	18	72,000					72,000
Equity classified contingent consideration	26	-	984,360	(984,360)	-	-	-
Transaction costs arising on share issue	9A	(44,055)	-	-	-	-	(44,055)
Share warrants issue	27	37,117	-	-	(37,117)	-	-
Balance at 31 March 2024		**37,493,168**	**(34,214,186)**	**1,082,889**	**478,394**	**30,902**	**4,871,167**
Balance at 31 March 2022		**22,012,727**	**(22,672,146)**	**1,419,248**	**-**	**208,159**	**967,988**
Loss for the year		-	(6,900,648)	-	-	-	(6,900,648)
Translation differences of foreign operations		-	-	-	-	(103,725)	(103,725)
Transactions with owners in their capacity as owners							
Issue of share capital	24	6,082,758	-	(608,545)	-	-	5,474,213
Distribution to owners to extinguish pre-dividend loan	24	223,954	(223,954)	-	-	-	-
Share based payments	26	608,545	-	759,056	-	-	1,367,601
Equity classified contingent consideration	26	-	-	1,118,094	-	-	1,118,094
Transaction costs arising on share issue	9A	(382,811)	-	-	-	-	(382,811)
Share warrants issue	27	-	-	-	515,511	-	515,511
Balance at 31 March 2023		**28,545,173**	**(29,796,748)**	**2,687,853**	**515,511**	**104,434**	**2,056,223**

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	Notes	2024	2023
		$	$
Cash flows from operating activities			
Cash receipts from customers		4,088,177	1,688,631
Cash paid to resellers for their commission		(565,295)	(85,505)
Cash paid to suppliers and employees		(9,100,570)	(7,173,622)
Receipt of government grants		109,225	180,244
GST payments		18,599	(33,273)
US Federal taxes paid		27,016	(178)
NZ Income tax refund		3,846	215,910
Interest paid (lease liabilities)		(6,033)	-
Net cash used in operating activities	**33**	**(5,425,035)**	**(5,207,793)**
Cash flows from investing activities			
Purchase of property, plant and equipment		(30,710)	(12,344)
Acquisition of Newoldstamp		-	(783,608)
Acquisition and development of intangible assets		(340,889)	(184,642)
Proceeds on disposal of property, plant and equipment		245	-
Interest received		26,358	2,822
Net cash used in investing activities		**(344,996)**	**(977,772)**
Cash flows from financing activities			
Repayment of loans and borrowings		(33,255)	(5,200)
Repayment of lease liabilities		(41,217)	-
Proceeds from borrowings		-	2,400,000
Direct costs incurred in issuing equity		(44,055)	(291,112)
Cash receipts from issue of share capital		6,125,986	4,991,330
Net cash from financing activities	**33**	**6,007,459**	**7,095,018**

Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	Notes	2024	2023
		$	$
Net increase/(decrease) in cash and cash equivalents		**237,428**	**909,453**
Opening cash and cash equivalents at beginning of the year		1,759,268	900,588
Effect of exchange rate fluctuations on cash held		(142,238)	(50,773)
Cash and cash equivalents at year end	**12**	**1,854,458**	**1,759,268**

Notes to the consolidated financial statements

For the year ended 31 March 2024

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 are 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 and Noir Perle Limited (together the 'Group') for the year ended 31 March 2024.

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 International Financial Reporting Standards ('NZ IFRS'), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS.

They comply with International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board ('IASB') applicable to companies reporting under IFRS.

The consolidated financial statements are presented in New Zealand dollars, rounded to the nearest dollar.

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 29.

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.

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.

These 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 15
- Estimation of prevailing market interest rate for below-market term loans - Note 22
- Fair value estimation of contingent consideration as part of the Newoldstamp acquisition - Note 18
- Fair value estimation of share price at grant date for share-based compensation - Note 26
- Value of the share warrants - Note 27

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

- Subscription revenue performance obligations and satisfaction of those obligations - see Note 6
- Agent vs principal determination for subscription resellers - see Note 6
- Equity classification of contingent consideration as part of the Newoldstamp acquisition - Note 17
- Impairment of cash generating units - Note 19
- Classification of the share warrants as an equity instrument - see Note 27
- Share warrants and shareholder loan as linked instruments - See Note 27
- Preparation under the going concern assumptions - see Note 29

4. 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 early adopted by the Group. These standards 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 intra-group balances and transactions, and unrealised profits and losses arising from intra-group 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.

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

In the previous financial year, the two reportable segments were based off the Group's major product subscriptions available during the year: Black Pearl Mail and Newoldstamp. For the current financial year Pearl Diver has been identified as a reportable segment instead of Black Pearl Mail. Pearl Diver is an extension of the core Black Pearl Mail platform and the Group does not distinguish and now rarely sells Black Pearl Mail separated from Pearl Diver. 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.

	2024			2023		
	Pearl Diver	Newoldstamp	Group	Black Pearl Mail	Newoldstamp	Group
	$	$	$	$	$	$
Subscription fees	2,791,556	1,261,464	4,053,020	1,231,155	199,591	1,430,746
Other revenue streams**	1,450,404	3	1,450,407	182,710	-	182,710
Total revenue*	**4,241,960**	**1,261,467**	**5,503,427**	**1,413,865**	**199,591**	**1,613,456**
Marketing	1,226,019	176,920	1,402,939	780,309	135,639	915,948
Personnel expenses and contractor costs	3,515,363	1,190,164	4,705,527	3,750,941	703,218	4,454,159
Other expenses	4,533,298	263,461	4,796,759	3,277,330	136,689	3,414,019
Net loss before tax	**5,032,720**	**369,078**	**5,401,798**	**6,394,715**	**775,955**	**7,170,670**

*revenue does not include intra-group or intra-segment amounts

**other revenue streams includes gains on derecognition of financial instruments of $1,325,120 - see note 18 and 22

Geographical information

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

The following is breakdown of subscription revenue earned from customers for the top five locations of each segment, which collectively represent 93.07% (2023: 95.30%) of the Group's total subscription revenue.

	2024			2023		
	Pearl Diver	Newoldstamp	Group	Black Pearl Mail	Newoldstamp	Group
	$	$	$	$	$	$
United States	2,513,910	779,387	3,293,297	674,444	119,444	793,888
Australia	109,917	70,861	180,778	277,555	11,403	288,958
Canada	30,984	80,740	111,724	124,945	1,167	126,112
United Kingdom	25,049	71,730	96,779	93,414	9,768	103,182
New Zealand	77,556	11,837	89,393	39,577	11,774	51,351
Other	34,141	246,908	281,049	21,220	46,035	67,255
Total	**2,791,557**	**1,261,463**	**4,053,020**	**1,231,155**	**199,591**	**1,430,746**

6. SUBSCRIPTION REVENUE

Accounting policy

Subscription revenue is comprised of recurring monthly, quarterly and annual fees from subscribers to the Black Pearl Mail ('BPM'), Newoldstamp ('NOS') and Pearl Diver cloud-based software. Subscriptions are made directly through the BPM, NOS and Pearl Diver websites, or through resellers. Revenue is recognised on a straight-line basis across the term of the subscription. 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.

- **BPM subscriptions**

  These are mainly comprised of recurring monthly fees from subscribers, but there is an option for customers to pay for longer subscriptions in advance. Customers on monthly subscriptions are invoiced at the start of each subscription month. Customers who choose to pay for longer subscriptions are invoiced at the start of the subscription period, and revenue is recognised on a straight line basis across the term of the subscription.

- **NOS subscriptions**

  These are comprised of recurring monthly, quarterly and annual fees from subscriptions. The majority of customers are on annual subscriptions. Customers are invoiced at the start of each subscription period and revenue is deferred upon payment and recognised on a straight line basis across the term of the subscription. NOS subscriptions account for the majority of the Group's contract liabilities.

- **Pearl Diver**

  These are mainly comprised of recurring monthly fees from subscribers, but there is an option for customers to pay for longer subscriptions in advance. Customers on monthly subscriptions are invoiced at the start of each subscription month. Customers who choose to pay for longer subscriptions are invoiced at the start of the subscription period, and revenue is recognised on a straight line basis across the term of the subscription.

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.

Significant judgements applied

Application of NZ IFRS 15 Revenue from contracts with customers

The agreed subscription price with the customer is the transaction price. The Group's performance obligations for subscriptions to BPM, NOS and Pearl Diver consist of the access provided to the platform and its related features, as well as related support provided over the subscription term. These services are provided simultaneously during the subscription period and revenue is recognised over time as the services are performed.

Principal vs agent assessment in reseller arrangements

In a reseller arrangement, the subscription contract is made between the customer and the reseller. The Group is the principal in the transaction because the subscription services the customer is entitled to are controlled and mainly provided by the Group. The Group holds the primary responsibility for providing the subscription services to customers (including issuing and managing all active licences) and ensuring the software is operating as required. The Group is also responsible for providing all substantial on-going customer support to customers. The Group records the full transaction price as revenue and the reseller commission as an expense.

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

Reconciliation to total subscription revenue	2024		2023	
	$	%	$	%
Total direct sales	3,467,153	86	1,301,979	91
Total reseller sales	585,867	14	128,767	9
Total subscription revenue	**4,053,020**	**100**	**1,430,746**	**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 BPM, NOS and Pearl Diver 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.

The following table summarises information about the subscription revenue receivables and contract liabilities:

	2024	2023
	$	$
Receivables, included in trade and other receivables	303,993	135,369
Contract liabilities	607,825	481,402

Additional information about contract liabilities

As part of the acquisition of the Newoldstamp business, the Group assumed contract liabilities of $169,592 on the acquisition date for subscriptions paid in advance with outstanding service periods. In the current year, the Group recognised $98,929 of revenue as the required services were provided for the Newoldstamp contract liabilities in other revenue - see Note 7. (2023: $70,663).

The balance of the contract liabilities assumed as part of the acquistion, at the reporting date, is $nil. (2023: $98,929).

7. OTHER INCOME

Accounting policy

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grants will be received, and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods necessary to match the grant to the costs that it is intended to compensate.

	Notes	2024	2023
		$	$
Government grants		-	109,225
Gain on derecognition of financial instruments	18,22	1,325,120	-
Amortisation of Newoldstamp contract liabilities		98,929	70,663
Total other revenue		**1,424,049**	**179,888**

The gain on derecognition of financial instruments consists of $1,002,950 in relation to contingent consideration (Note 18) and $322,171 in relation to loans and borrowings (Note 22).

8. PERSONNEL EXPENSES

Accounting policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

	2024	2023
	$	$
Salaries and wages	3,159,471	2,937,219
Kiwisaver employer contributions	69,022	68,059
Sales commissions	233,492	44,734
Employee share-based compensation expense - see Note 26	112,404	759,056
Increase in employee entitlements - see Note 21	32,235	15,920
Total personnel expenses	**3,606,624**	**3,824,988**

9. OPERATING AND ADMINISTRATIVE EXPENSES

Operating expenses	2024	2023
	$	$
Advertising and marketing	1,402,939	915,948
Contractors	1,098,904	629,171
Hosting and Server development costs	119,085	97,311
IT service costs	298,140	187,770
Consulting costs	959,955	765,863
Membership fees	-	1,627
Total operating expenses	**3,879,023**	**2,597,690**

Administrative expenses	2024	2023
	$	$
Bank fees	8,023	6,144
Director fees	355,808	26,666
Accounting fees	182,919	133,259
Auditor's remuneration	88,000	108,844
Depreciation and amortisation	767,268	385,052
Insurance	132,095	40,715
Other expenses	306,110	263,507
Travel expenses	95,880	193,791
Legal fees	282,977	25,663
Costs associated with listing	140,328	540,082
Net foreign exchange (gains)/losses	18,958	6,406
Total administrative expenses	**2,378,366**	**1,730,129**

Auditor's remuneration

The Group's auditor for the consolidated financial statements for the year ended 31 March 2024 is William Buck (NZ) Limited ('William Buck'). Auditor's remuneration for the year includes $88,000 for William Buck's audit of the Group's consolidated financial statements for the year.

No other services have been provided by William Buck during the period (2023: audit services only and no other services).

9A EQUITY TRANSACTION COSTS

Accounting policy

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 $44,055 of costs during the Company's capital raise (2023: $382,811). Of the total cost, $nil was settled through the issue of shares (2023: $91,699) - see more detail in Note 26.

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.

10. NET 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 their 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 22.

Finance costs	2024	2023
	$	$
Interest accrued on loans and borrowings	143,059	21,356
Amortisation of below-market term loans (fair value unwind)	14,756	114,006
Interest on lease liabilities	6,033	-
Total finance costs	**163,848**	**135,362**
Finance income		
Bank interest earned	26,358	2,822
Total finance income	**26,358**	**2,822**
Net finance costs	**137,490**	**132,540**

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.

	2024	2023
	$	$
Net loss before income tax	(5,401,798)	(7,170,670)
At the New Zealand statutory income tax rate of 28% (2023: 28%)	(1,512,503)	(2,007,788)
Non-deductible expenditure	-	189,327
Unrecognised tax losses	**1,512,503**	**1,548,439**
Income tax expense/(credit)	**-**	**(270,022)**
Income tax credit comprised of		
Recognition of deferred tax balances from the NOS business acquisition	-	(270,022)
Research and Development cash out of tax losses	-	-

In previous years, the Company claimed Research and Development cash out of tax losses. This resulted in tax losses generated being paid to the Company as cash in exchange for forfeiting these losses. The cash received from these losses is required to be repaid to the Inland Revenue Department if certain events occur (including a liquidator being appointed, disposal of assets generated from research and development, the entity ceases to be an NZ resident company or more than 90% of the Company's shareholding has changed since the Company first claimed the cash out. The Company has considered these requirements and none of these events have occurred. The total amount of cash received to date is $1,314,389 (2023: $1,314,389). The Group has no receivable in relation to cash out of tax losses at 31 March 2024 (2023: nil).

Now that the Company is listed on the New Zealand Stock Exchange, it is no longer eligible to claim the Research and Development cash out of tax losses.

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 (2023: $292,875). The Company has New Zealand tax losses of $19,239,557, available for use against future taxable profits, subject to the New Zealand Tax Legislation requirements being met (2023: $18,523,671).

The subsidiary incorporated in the United States has federal tax losses of USD $2,332,884 in 2024 (2023: $2,139,420) and Arizona State tax losses of USD $2,353,538 in 2024 (2023: $2,160,124) 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.

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

	2024			2023			
	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	Recognised in goodwill as part of business combination	Deferred tax asset balance at 31 March
	$	$	$	$	$	$	
Leases	-	674	674	-	-	-	-
Borrowings	(27,001)	3,600	(23,401)	(28,994)	1,993	-	(27,001)
Intangible assets	(464,764)	(339,534)	(804,298)	(93,305)	(101,437)	(270,022)	(464,764)
Share based payments	463,271	(160,062)	303,209	103,793	359,478	-	463,271
Employee entitlements	28,494	(28,494)	-	18,506	9,988	-	28,494
Tax losses	-	523,816	523,816	-	-	-	-
Total	**-**	**-**	**-**	**-**	**270,022**	**(270,022)**	**-**

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.

	2024	2023
	$	$
Cash and cash equivalents	1,854,458	1,759,268
Total cash and cash equivalents	**1,854,458**	**1,759,268**

13. TRADE AND OTHER RECEIVABLES

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The Group applies the simplified expected credit loss model (ECL) of recognising lifetime expected credit losses for receivables. In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They 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 expectations of recovery include the debtor being in liquidation or the receivable being more than one year overdue (in default).

	2024	2023
	$	$
Trade receivables	303,993	135,369
GST receivable	35,563	54,161
Government grant receivable (RDTI)	-	109,225
Other receivables	28,912	2,844
Total trade and other receivables	**368,468**	**301,599**

14. PROPERTY, PLANT AND EQUIPMENT

Accounting policy

All property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditures that are directly attributable to the acquisition of the asset. Subsequent expenditure is only capitalised if the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount of the underlying asset. These gains or losses are included in profit or loss. Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment. Depreciation methods, useful lives and residual values are reviewed and adjusted, if appropriate, at each reporting date.

The only class of PPE is computer and office equipment, which is depreciated across a 2 year useful life.

	2024	2023
Cost	$	$
Balance at 1 April	81,134	72,226
Additions	30,710	12,344
Disposals	(10,168)	(4,056)
Translation difference	292	620
Balance at 31 March	**101,968**	**81,134**
Depreciation and impairment losses		
Balance at 1 April	59,537	47,219
Depreciation for the year	18,633	15,415
Disposals	(8,862)	(3,605)
Translation difference	283	508
Balance at 31 March	**69,591**	**59,537**
Carrying amount	**32,377**	**21,597**

The property, plant and equipment carrying value is reassessed at each balance sheet date for impairment. No indicators of impairment were identified at year end (2023: nil).

15. 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 measure reliably 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.

These are included in the Capitalised development cost intangible asset class.

Customer contracts

The customer contracts were acquired as part of a business combination - see Note 17 for more details.

They are recognised at their fair value at the date of acquisition 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

The Newoldstamp software was acquired as part of a business combination - see Note 17 for more details.

The fair value was determined by using the cost to rebuild approach, measuring the cost to developer time and other directly attributable costs necessary to rebuild the asset in its current state. These costs considered as part of the valuation are consistent with the Group's accounting policy on internally-generated intangible assets and is consistent with costs that would be incurred by a market participant. The value was then adjusted for the expected remaining useful life of the asset.

It is subsequently amortised on a straight-line basis based on the remaining useful life of the asset. This asset is included as part of Capitalised development cost.

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 - see Note 17 for more details.

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 19. 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.

	Years
Website	5
Capitalised development costs	10
Customer contracts	2.5

Critical accounting estimates

The estimated useful life of its capitalised development costs and customer contracts are critical accounting estimates.

Capitalised development costs

This includes capitalised development work in relation to the Black Pearl Mail software (the 'BPM software') and the Newoldstamp software (the 'NOS software'). The useful life of the BPM software is 10 years and the remaining useful life of 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 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.

Customer contracts

The useful life of the contracts were estimated based on the expected life of the contracts the Group acquired as part of the business combination. The Group's estimated useful life of 2.5 years (30 months) was determined through analysis of the underlying customer data for the NOS software customers for the past three years, reviewing specific metrics such as churn rates and average lifetime values.

	Goodwill	Customer contracts	Website	Capitalised dev costs	Total
Cost	$	$	$	$	$
Balance at 1 April 2023	2,872,493	1,133,958	146,084	1,745,050	5,897,585
Additions	-	-	-	340,889	340,889
Balance at 31 March 2024	**2,872,493**	**1,133,958**	**146,084**	**2,085,939**	**6,238,474**
Amortisation and impairment losses					
Balance at 1 April 2023	-	188,993	39,910	1,136,317	1,365,220
Amortisation for the year	-	453,583	25,662	225,765	705,010
Balance at 31 March 2024	**-**	**642,576**	**65,572**	**1,362,082**	**2,070,230**
Carrying amount at 31 March 2024	**2,872,493**	**491,382**	**80,512**	**723,857**	**4,168,244**

	Goodwill	Customer contracts	Website	Capitalised dev costs	Total
Cost	$	$	$	$	$
Balance at 1 April 2022	-	-	36,030	1,292,784	1,328,814
Acquired through business combination	2,872,493	1,133,958	-	377,677	4,384,128
Additions	-	-	110,054	74,589	184,643
Balance at 31 March 2023	**2,872,493**	**1,133,958**	**146,084**	**1,745,050**	**5,897,585**
Amortisation and impairment losses					
Balance at 1 April 2022	-	-	21,617	973,966	995,583
Amortisation for the year	-	188,993	18,293	162,351	369,637
Balance at 31 March 2023	**-**	**188,993**	**39,910**	**1,136,317**	**1,365,220**
Carrying amount at 31 March 2023	**2,872,493**	**944,965**	**106,174**	**608,733**	**4,532,365**

The intangible asset carrying value is reassessed as at each balance sheet date for impairment. 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 19. No impairment is identified at year end (2023: nil).

16. 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 right-of-use asset is subsequently depreciated under the straight-line method from the commencement date to the end of the lease term.

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.

Lease payments included in the measurement of the lease liability comprise fixed payments.

The lease liability is measured at amortised cost under the effective interest method.

Right-of-use assets

	Total
Cost	$
Balance at 1 April 2023	-
Additions	174,499
Balance at 31 March 2024	**174,499**
Depreciation and impairment losses	
Balance at 1 April 2023	-
Amortisation	43,625
Balance at 31 March 2024	**43,625**
Carrying amount at 31 March 2024	**130,874**
Carrying amount at 31 March 2023	**-**

The Group leases office space for its Wellington operations. The current lease is for a twelve month term expiring 31 December 2024 with an extension option. At expiry of the term the lease automatically continues on a month-to-month basis.

Lease liabilities

	2024	2023
	$	$
Current	133,282	-
Non-current	-	-
Total lease liabilities	**133,282**	**-**

Total cash outflow relating to lease liabilities of $47,250 (2023: $nil), comprising $6,033 (2023: $nil) of interest and $41,217 (2023: $nil) of repayment of lease liabilities. The undiscounted cash outflow due in the next 12 months is $141,750.

17. ACQUISITION OF NEWOLDSTAMP

Accounting policy

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a business comprises the:

- Fair values of the assets transferred
- Liabilities incurred to the former owners of the acquired business
- Equity interests issued by the Group
- Fair value of any asset or liability resulting from a contingent consideration arrangement
- Fair value of any pre-existing equity interest in the subsidiary

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair value at the acquisition date. The Group recognises any non-controlling interest ('NCI') in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the NCI's proportionate share of the acquired entity's net identifiable assets.

Acquisition related costs are expensed as incurred. The excess of the:

- consideration transferred,
- amount of any NCI in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity

Over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions.

Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognised in profit or loss. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date. Any gains or losses arising from such remeasurement are recognised in profit or loss.

Background

In the prior year (October 2022), the Group entered a sale and purchase agreement with the owners of NewOldStamp Incorporated (the 'sellers'), a US company with operations in Ukraine, acquiring the Newoldstamp ('NOS') product and business. The business was acquired on 1 November 2022. The Group did not acquire NewOldStamp Incorporated's share capital, but purchased specific assets (and assumed certain liabilities) from the entity. The primary reason for the acquisition was to acquire its revenue and organic traffic, and to help scale the Group's operations.

Purchase price

The following is a breakdown of the fair value of the purchase price for the acquisition:

	2023
	$
Cash paid on completion	783,608
Ordinary shares issued on completion to the sellers	999,729
Contingent consideration - fixed shares deliverable to the sellers	1,118,094
Contingent consideration - variable shares deliverable to the sellers	1,043,084
Total purchase price consideration	**3,944,515**

Ordinary shares issued on completion

549 shares were issued at $1,821 each on completion of the acquisition. These amounts are before the share split, which is equivalent to 799,783 shares at $1.25 each after the share split.

Contingent consideration

The purchase price includes the issue of shares to the sellers, contingent on the continued performance of the business. Issue of the shares are subject to conditions being met at 12 months and 24 months from the acquisition date. The following are the primary conditions:

- the domain names have generated at least 850,000 organic website visits for the first 12 months
- the domain names have generated at least 850,000 organic website visits for the following 12 months

These conditions must be met, for the Company to issue shares to the sellers. The domain names condition was met for the first 12 months and the company has assessed a 100% probability that these conditions would be met for the following 12 months.

The shares deliverable to the sellers, contingent on the conditions above, includes a fixed amount of shares based on the share price at the time of the acquisition (the 'fixed shares'), as well as a variable number of shares based on the current share price but at fixed values i.e. the total value is fixed but the number of shares will vary depending on the share price at the time the Company must issue those shares (the 'variable shares').

Fixed shares

The following is a summary of the quantity of the shares and their price owed to the sellers, both before and after the share split:

	Post-share split		Pre-share split	
	Share no.	Share price	Share no.	Share price
12 months from acquisition date	479,287	$1.25 each	329	$1,821 each
24 months from acquisition date	415,188	$1.25 each	285	$1,821 each
Total value of fixed shares		**$1,118,094**		

Variable shares

The following is a breakdown of the total value of shares owed to the sellers. The amount recognised on acquisition is the discounted value and the table below includes the face value and discounted values of those shares on acquisition date:

	Discounted value	Face value
	$	$
12 months from acquisition date	571,429	594,000
24 months from acquisition date	471,655	521,400
Total value of variable shares	**1,043,084**	**1,115,400**

Critical accounting judgements - classification of contingent consideration

The Group considers it appropriate to measure the variable and fixed shares as separate units of account, due to each consideration type having different economic risk characteristics and providing a different benefits to the vendor. From the Group's perspective the variable shares are impacted by the share price on the future date of issue, which will impact the number of shares that will need to be issued to satisfy this liability.

In contrast, the fixed shares are not impacted by the share price on issue and the amount to be issued is not changed by the share price. If instead the Group viewed the fixed and variable shares as a single unit of account, that single instrument would be treated as a liability and measured at fair value through profit or loss. The Group considers that treating the fixed and variable shares as separate units of account better represent the transaction and the different risks and characteristics of these two types of consideration.

Critical accounting estimates - fair value of contingent consideration

Fixed shares

The Company's shares were not publicly traded at the time they were issued. The Company determined the fair value of share rights by reference to the value of shares issued in the closest equity round to the measurement date. The Group considers this to be an estimated market price. In this case, the closest equity round was the capital raise before the Company initially listed on the NZX. This price is also the NZX listing price at the end of November 2022. The Group considers the estimated market price to be consistent with the price a knowledgeable, willing market participant would pay. The Group considers this to be a level 3 fair value input.

Variable shares

The variable shares are classified as financial liabilities by the Group. Its fair value at the date of the acquisition is the present value of the specified fixed values, discounted at a rate of 5%. The discount rate is a level 3 fair value input, estimated using a risk free discount rate as a base with an estimated equity premium. The undiscounted value of the total variable shares entitlement is $1.680 million. For subsequent measurement, refer to Note 18 below.

Post-combination remuneration expenses

As part of the sale and purchase agreement with the owners of NewOldStamp Incorporated, they were provided with share-based payments to continue to work within the business. The share-based payments are linked to continued service for the business.

These are treated as post-combinaton remuneration as an employee share-based payment - refer to Note 26.

Variation of contingent consideration related to the Newoldstamp acqusition

In August 2023, all the participants agreed to vary certain terms relating to the November 2022 acquisition of its Newoldstamp division. BPG acquired Newoldstamp from an entity majority-owned by Volodymyr Zastavnyy. At the time of acquisition, Volodymyr entered a services contract with BPG and became BPG's Chief Revenue Officer (in addition to managing the day-to-day operations to Newoldstamp for BPG). The variation saw Volodymyr continue to manage the Newoldstamp division but step back from the Chief Revenue Officer role and Group level involvement. Accordingly, the contractual obligation was changed to reduce the value of shares that were required to be issued. There was no change to the assets or liabilities acquired by the Group in the original business combination or the expectation of the vendor meeting the conditions of the original contingent consideration. The contingent consideration amounts were varied as follows:

Fixed share

The amount of shares to be issued were reduced from 894,475 to 107,453. See note 26 for treatment of this variation.

Variable shares

The discounted dollar value of shares to be issued was reduced from $1.058 million to $126,912. See note 18 for treatment of this variation.

Assets and liabilities acquired

The Group acquired and recognised other separately identifiable intangible assets i.e. customer contracts and software (capitalised development costs), deferred revenue and goodwill:

	2023
	$
Capitalised software development	377,677
Customer contracts	1,133,958
Contract liabilities	(169,592)
Deferred tax liability	(317,508)
Deferred tax asset	47,486
Goodwill	2,872,493

Goodwill recognised is the difference between the fair value of the purchase price and the net amount of the assets acquired and liability assumed. The recognised goodwill represents the organic traffic that will be used by the group for future growth. Goodwill is non deductible for tax purposes.

Critical accounting estimates - fair value of assets and liabilities

The following estimates all involve level 3 fair value inputs.

Capitalised software development

The fair value was determined using the present value of the expected revenues from the acquired customer contracts, net of the costs necessary to service those subscriptions. Certain assumptions have been made about the expected life of the existing contracts (30 months), through analysis of the underlying customer data for Newoldstamp customers for the past three years, reviewing specific metrics such as churn rates and average lifetime values. The cashflows were discounted using the Group's estimated weighted average cost of capital ('WACC') and the following is a sensitivity analysis:

	$
Net present value of customer contracts at 13% WACC	1,133,958
Effect of +300 BPS on WACC	(23,381)
Effect of -300 BPS on WACC	25,073

Contract liabilities

The deferred revenue balance has been adjusted to reflect the cost of providing the services, as opposed to the contractual values of revenue deferred. The cost build-up approach was taken, where the amount represents a market participant would expect to incur to service the contracts, plus an estimated margin.

Revenue and net loss in relation to the Newoldstamp acquisition

The total amount of revenue earned from Newoldstamp since it was acquired was $1,461,054 and with a total loss of $369,078 before tax, for the year ended 31 March 2024 (2023: loss of $775,955 before tax).

If Newoldstamp was acquired at 1 April 2022, the Group's total revenue would increase by $635,435 taking total revenue to $2,066,181 for the year ended 31 March 2023. The Group's total loss before tax would increase by $253,110, taking total loss before tax to $7,423,780 for the year ended 31 March 2023.

18. CONTINGENT CONSIDERATION LIABILITY

Accounting policy

Contingent consideration classified as a liability, resulting from business combinations, is valued at fair value at the acquisition date of the business combination. When the contingent consideration meets the definition of a financial liability, it is subsequently remeasured to fair value at each reporting date. The determination of the fair value is based on present value of the liability, including any assumptions about meeting each performance target attached to the contingent consideration.

	2024	2023
	$	$
Variable share issue from the Newoldstamp acquistion	1,058,860	1,043,084
Fair value remeasurement	71,002	15,776
Modification of the deferred consideration	(1,002,950)	-
Issue of shares	(72,000)	-
Total contingent consideration	**54,912**	**1,058,860**
Current contingent consideration	24,461	576,941
Non-current contingent consideration	30,451	481,919
Total contingent consideration	**54,912**	**1,058,860**

In August 2023, all the participants agreed to vary certain terms relating to the November 2022 acquisition of its Newoldstamp division. The contractual obligation was changed to reduce the dollar value of shares to be issued to $126,912 (from $1.68 million undiscounted; $1.058 million discounted). There was no change to the assets or liabilities acquired by the Group in the original business combination or the expectation of the vendor meeting the conditions of the original contingent consideration. As such, the Group has derecognised the original contingent consideration liability and recognised a new liability based on the expected contingent consideration to be paid based on the original expectations of the vendor meeting the conditions. This results in a gain in the profit or loss of $1m on the extinguishment of the contingent consideration liability.

Refer to Note 26 for details of the amendments to the equity classified contingent consideration.

During the year the first contingent payment date occurred, all targets were met resulting in $72,000 of shares (124,759 shares) being issued (see Note 17).

19. IMPAIRMENT OF CASH GENERATING UNITS

Accounting policy

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation 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 lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or group 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:

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

In the previous financial year, the two CGUS identified were (1) Black Pearl Mail, and (2) Newoldstamp. For the current financial year Pearl Diver has been identified as a CGU instead of Black Pearl Mail. Pearl Diver is an extension of the core Black Pearl Mail platform and the Group does not distinguish and now rarely sells Black Pearl Mail separated from Pearl Diver.

Allocation of goodwill

Goodwill is allocated between Pearl Diver and Newoldstamp for the purpose of impairment testing. 90% ($2,585,244) is allocated to Pearl Diver and 10% ($287,249) to Newoldstamp reflecting the future growth expected from the organic traffic.

Key assumptions of impairment testing

The Group has tested impairment by measuring each CGU's value in use ('VIU'). The calculations are based on cash flow projections covering a three-year period and operating expenses reflecting the financial budgets approved by management and the Board.

Pearl Diver CGU has a carrying value of $5.4 million using an average revenue growth rate of 18.5%. As part of estimating its VIU, different revenue growth rates were used but the estimation is most sensitive to the growth rates used in the first two years. For example, if the revenue growth rate for the first year was 12% lower than the growth rate used in the VIU calculation, then the Group would need to consider whether there is impairment. To determine the terminal value a 2.1% long-term growth rate was applied. A post-tax discount rate of 17.0% 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 GCU has a carrying value of $1.4 million using an average revenue growth rate of 5%. To determine the terminal value a 2.1% growth rate was applied. A post-tax discount rate of 17.0% was used to establish the recoverable amount under the VIU model. The Group has determined that no impairment is required to the Newoldstamp CGU.

Management has determined the values of its key assumptions in its VIU calculations for both Pearl Diver CGU and Newoldstamp CGU 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.

20. 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.

	2024	2023
	$	$
Trade payables	171,601	219,052
Accrued expenses	279,277	291,956
Total trade and other payables	**450,878**	**511,008**

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

21. 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.

	2024	2023
	$	$
Accrued wages and salaries	109,124	93,549
Annual leave entitlements	133,999	101,764
Total employee entitlements	**243,123**	**195,313**

22. LOANS AND BORROWINGS

Accounting policy

Borrowings on normal commercial terms are initially recognised at the amount borrowed plus 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 an unconditional 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.

	2024	2023
	$	$
Current portion		
Credit card balances	3,910	24,651
Below market-term loans from the government	78,967	39,621
Shareholder loan	-	1,227,518
Total current portion	**82,877**	**1,291,790**
Non-current portion		
Below market-term loans from the government	283,733	328,998
Shareholder loan	-	764,909
Total non-current portion	**283,733**	**1,093,907**
Total loans and borrowings	**366,610**	**2,385,697**

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

The principal amount of the loan is $400,000 and 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

The principal amount of the loan is $29,800 and 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.

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

At 31 March	2024	2023
	$	$
Principal amount	396,053	424,833
Interest payable accrued	34,863	32,543
Unamortised fair value write-down	(68,216)	(88,757)
Total carrying value of below market-term loans from the government	**362,700**	**368,619**

Critical accounting estimates

The fair value of the below market-term loans from the government on initial recognition was determined using the discounted cash flow method. A level 3 fair value input was used, being the estimated market discount rate of 8.44% and the following is a sensitivity analysis against the carrying value of the loans:

	2024	2023
	$	$
Carrying value of below market-term loans from the government using the 8.44% discount rate	362,700	368,619
Carrying value of below market-term loans from the government using a 7% discount rate	378,637	388,063
Difference to carrying amount	**15,937**	**19,444**
Carrying value of below market-term loans from the government using a 10% discount rate	346,068	348,569
Difference to carrying amount	**(16,632)**	**(20,050)**

Below-market term loans from the Group's shareholder

The Group had a below-market term loan from its shareholder, Crown BP Holdings LLC. The difference between the face value and the present value of the expected future cashflows of the loan on initial recognition was taken through equity, representing the warrants issued by the Group in exchange for the below-market terms of the loan (see Note 27 for details of the warrants issued). The loan incurred $130k of interest during the period (2023: nil).

The loan was subsequently measured at amortised cost using the effective interest rate method. The principal amount of the loan was $2.4m with interest charged at 1% per annum. Interest was payable quarterly, with 50% of the principal due after 13 months from the date of signing, with the rest due when the loan matures (originally January 2025).

Modification of loan

In April 2023 the repayment dates of the loan were deferred for a period of 12 months (all other terms remained the same). This deferral was recorded as a substantial loan modification resulting in a gain of $322k through profit or loss when the carrying value of the loan was derecognised and the new loan was recognised based on the discounted cash flows under the new terms.

Conversion of the loan

In September 2023, the terms of the shareholder loan were amended to add a conversion feature giving the shareholder an option, at their sole discretion, to convert the outstanding loan balance into ordinary shares in the Company at any date before maturity. The shareholder fully converted the loan (exercise price of $0.63) on 6 September 2023 resulting in the issuance of 3,839,788 ordinary shares and the loan balance being fully extinguished. The Company determined that the most appropriate accounting policy to recognise the conversion to shares was to recognise the ordinary shares at the carrying value of the loan on conversion date. This resulted in additional share equity of $1.8 million.

At 31 March	2024	2023
	$	$
Opening shareholder loan balance	1,992,427	-
Loan issuance	-	2,400,000
Interest payable accrued	130,480	8,417
Unamortised fair value write-down	-	(415,990)
Reduction from modifications	(322,171)	-
Conversion of the loan to ordinary shares	(1,800,736)	-
Total carrying value shareholder loans	**-**	**1,992,427**

23. 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, as subsequently measured at amortised cost, fair value through other comprehensive income, or fair value through profit or loss. The classification of the Group's financial instruments into these categories is included in the table below.

Financial instrument	Financial instrument
Cash and cash equivalents	Amortised cost
Trade and other receivables	Amortised cost
Trade and other payables	Amortised cost
Contingent consideration liability	Fair value through profit or loss
Loans and borrowings	Amortised cost
Lease liabilities	Amortised cost

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 (2023: no transfers).

Capital management

The capital structure of the Group primarily consists of equity raised by the issue of shares in Black Pearl Group Limited. 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 29 - Going Concern which outlines details of the Group's going concern assumption and the financial year 2025 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 exchange rates negatively impact the Group's New Zealand dollar (NZD) net cash flows.

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 presentational 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:

	2024			2023		
At 31 March	Balance	+10%	-10%	Balance	+10%	-10%
	(USD)	(NZD)	(NZD)	(USD)	(NZD)	(NZD)
Cash and cash equivalents	33,608	(4,994)	6,339	565,596	(81,945)	100,146
Trade and other receivables	176,586	(29,612)	29,934	64,176	(9,453)	11,209
Increase/(decrease) in pre-tax loss		**(34,606)**	**36,273**		**(91,398)**	**111,355**

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 2024, the Group held cash and cash equivalents of $1,854,458 (2023: $1,759,268) 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 (2023: $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 2024	Less than 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	$	$	$	$	$	$
Trade and other payables	450,878	-	-	-	450,878	450,878
Loans and borrowings	78,967	73,767	205,701	114,278	472,713	366,610
Contractual cash flows	**529,845**	**73,767**	**205,701**	**114,278**	**923,591**	**817,488**

At 31 March 2023	Less than 12 months	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total contractual cash flows	Carrying amount
	$	$	$	$	$	$
Trade and other payables	511,008	-	-	-	511,008	511,008
Loans and borrowings	1,267,139	1,292,564	215,595	169,485	2,944,783	2,385,698
Contractual cash flows	**1,778,147**	**1,292,564**	**215,595**	**169,485**	**3,455,791**	**2,896,706**

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 consistent 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	2024	2023
	$	$
Cash and cash equivalents	1,854,458	1,759,268
Trade and other receivables	332,906	138,213
Total financial assets subject to credit risk	**2,187,364**	**1,897,481**

Most of the Group's cash and cash equivalents comprises of $1,798,466 cash held with the Bank of New Zealand ('BNZ') with a credit rating of A+ from Fitch (2023: BNZ $857,915,A+) and BMO Harris Bank ('BMO') of $42,825 with a credit rating of AA- from Fitch (2023: BMO $898,580,AA-). The remaining $13,167 is an on-call balance with PayPal (2023: PayPal $2,772).

The Group's trade and other receivables balance includes $114,345 receivable from Paddle (2023: $111,511), there is no other significant concentration of trade receivables to a single counterparty. Paddle is a payment infrastructure provider which collects payments for the subscriptions from customers during the month, and passes these onto the Group at the end of each month. All amounts are paid to the Group are in USD.

24. SHARE CAPITAL

	2024	2023
	$	$
On issue at beginning of the year	28,545,173	22,012,727
Issue of ordinary shares	6,088,149	6,082,758
Equity transaction costs - see Note 9A	(44,055)	(382,811)
Shareholder warrants exercised	37,117	-
Conversion of shareholder loan to ordinary shares - see Note 22	1,800,735	-
Distribution to owners for pre-dividend loan	-	223,954
Issue of shares related to the liability classified contingent consideration - see Note 18	72,000	-
Issue of shares related to the equity classified contingent consideration - see Note 26	71,528	-
Restricted shares converted to ordinary shares - see Note 26	240,000	-
Exercise of employee share rights and share based payment compensation - see Note 26	682,521	608,545
Total share capital ($)	**37,493,168**	**28,545,173**
Share capital consists of the following classes:		
Ordinary share capital	**37,493,168**	**28,545,173**
Total share capital ($)	**37,493,168**	**28,545,173**
Fully paid total shares at the beginning of the year	35,363,459	20,295
Issue of ordinary shares pre-share split	-	3,243
Issue of ordinary shares as part of share split	-	34,266,617
Issue of ordinary shares post-share split	-	320,943
Issue or ordinary shares	12,770,297	-
Shareholder warrants exercised - see Note 27	180,000	-
Conversion of shareholder loan to ordinary shares	3,839,788	-
Issue of shares related to the liability classified contingent consideration - see Note 18	124,759	
Issue of shares related to the equity classified contingent consideration - see Note 26	57,860	-
Restricted shares converted to ordinary shares	192,000	-
Exercise of employee share rights and share based payment compensation - see Note 26	781,274	752,361
Total share capital (#)	**53,309,437**	**35,363,459**
Total value per share	**$0.70**	**$0.81**
Share capital consists of the following classes:		
Ordinary share capital	**53,309,437**	**35,363,459**
Total share capital (#)	**53,309,437**	**35,363,459**

Capital contribution - distribution to owners for pre-dividend loan

As part of a capital raise in 2013, the Company issued shares which included a repayment feature, with no maturity/ expiration date, of the capital provided ('pre-dividend shares'). Repayment of that capital had precedence over any dividends. In November 2022, the Company entered agreements with shareholders who had pre-dividend shares to forfeit the repayment feature in exchange for ordinary shares in the Company. The only exception was Teamwork Group Ltd, who agreed to extinguish their rights to the repayment with nil shares.

The total shares issued by the Company was 179,163 at $1.25 each. This was treated as a distribution to owners, and has been recorded against accumulated losses.

Share split

In preparation for the Company listing on the New Zealand Stock Exchange (in December 2022), all issued shares (and share options) were subject to a share split, converting one share into 1,457 shares.

Capital raise

The Company raised $2.2 million of capital on 26 June 2023. The issue price per share was $0.42.

The Company raised $1.7 million of capital on 19 October 2023 and $2.1 million on 7 November 2023. The issue price per share was $0.51.

25. BASIC AND DILUTED EARNINGS PER SHARE

Total comprehensive income/(loss) for the year

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.

	2024	2023
	$	$
Total loss attributable to owners	(5,401,798)	(6,900,648)
Weighted average number of ordinary shares for basic EPS	46,173,360	33,127,126
Dilution from share based compensation options	-	-
Weighted average number of ordinary shares adjusted for the effect of dilution	46,173,360	33,127,126
Basic loss per share	**(0.12)**	**(0.21)**
Diluted loss per share	**(0.12)**	**(0.21)**

The number of shares presented is after the share split in November 2022, see Note 24.

26. SHARE BASED PAYMENT RESERVE

Accounting policy

The Group operates equity-settled share based compensation, with a mix of ordinary shares and share options 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.

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.

Information about share based compensation arrangements

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

- One-off share based compensation without vesting conditions.
  Share issues which 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.
- Employee contractual share based compensation with vesting periods.
  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.

  Rights outstanding at 31 March 2024 have no expiration date. Rights can be exercised at any time after vesting. The Group has no legal or constructive obligation to repurchase or settle the rights in cash. 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.
- Equity-based contingent consideration in the acquisition purchase price.
  The purchase price for the Newoldstamp business acquistion includes the issue of shares, contingent criteria and a service period outlined in the agreement. The Group considers the 'fixed shares' to be an equity transaction.

  These amounts will be transferred to share capital, once the vesting conditions are met and the shares are issued.
- Other contractual share based compensation with vesting periods and non-market performance conditions.
  Contractual arrangements entered, in lieu of cash payment, to provide shares with vesting periods for a defined period. These are not share rights or options. Once the vesting period and conditions have been met, the Company will issue shares which rank equally in respect with the ordinary shares in the Company on issue. These include contractual arrangements to provide key contractors with shares subject to defined vesting periods and non-market performance conditions. These were issued as part of the acquisition of Newoldstamp.
- 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:

	2024	2023
	$	$
Opening balance	2,687,853	1,419,248
Share rights exercised during the year - transfer to share capital	(754,049)	(608,545)
Equity-based purchase price contingent consideration	(984,360)	1,118,094
One off share based payments without vesting terms*	312,000	-
Employee contractual share-based compensation - progress toward share rights*	26,905	197,899
Other contractual share based compensation - progress toward shares*	(226,500)	561,157
Restricted shares issued to non-executive directors with vesting terms**	21,040	-
Closing balance	**1,082,889**	**2,687,853**

*these amounts were recognised through profit or loss as Personnel Expenses - see Note 8

**this amount was recognised through profit or loss as Directors Fees under Administrative Expenses - see Note 9

The following table illustrates 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	
	2024	2023	2024	2023
Opening balance	1,415,357	2,167,718	1,883,156	-
Granted during the period	-	-	600,000	1,883,156
Exercised during the period	(603,919)	(752,361)	-	-
Modification of the NOS contingent consideration			(787,488)	
Issued as share capital			(173,427)	
Forfeited during the period	(43,704)	-	(758,634)	-
Closing balance (#)	**767,734**	**1,415,357**	**763,607**	**1,883,156**

The number of shares presented is after the share split in November 2022, see Note 24.

One-off share-based compensation without vesting periods

During the period, NewOldStamp Incorporated entered into a service agreement with the Group and were partially remunerated through share-based payments. The arrangement grants 600,000 shares to be issued on 31 August 2025. There are no vesting conditions on the shares. The Group recognised an expense of $312,000 in the profit or loss based on the share price at the point of signing the agreement. (2023: 73,335 shares in lieu of $91,699 payment to a consultancy firm for services, no vesting conditions and taken directly to share capital). For the avoidance of doubt, NewOldStamp Incorporated is not part of the Group.

Employee contractual share-based compensation with vesting periods

The total amount of share rights which have not vested are 21,852 and associated deferred expense is $9,022. The remaining weighted average of the vesting period for these share rights is 1 year (2023: 152,964 not vested, $91,715 of deferred expense, weighted average vesting period 1.39 years). 745,882 share rights are exercisable at the end of the year (2023: 1,262,573) and the average exercise price is nil. All share rights are issued with a nil exercise price. All share rights outstanding having a nil exercise price and there is no limit of the contractual term.

There were no employee contractual share rights granted during the year (2023: $1,485 to $1,821 before the share split, $1.02 to $1.25 after the share split). Further details of the fair value determination are below.

Equity-based contingent consideration in the acquisition purchase price

The purchase price for the Newoldstamp business acquisition includes the issue of shares, contingent on criteria outlined in the sale and purchase agreement. As discussed in Note 17, the participants varied terms related to the acquisition of NewOldStamp in August 2023. The contractual obligation was changed to reduce the number of shares that were required to be issued. There was no change to the assets or liabilities acquired by the Group in the original business combination or the expectation of the vendor meeting the conditions of the original contingent consideration.
This reduction was accounted for as an equity transaction by transferring $984k from the share based payment reserve to the accumulated losses reserve.

During the year the first contingent payment date occurred, all targets were met resulting in 57,572 shares being issued.

Other contractual share-based compensation with vesting periods

Key personnel from the company that previously owned the Newoldstamp business are contractors for the Group. The sale and purchase agreement included share based compensation as an incentive for them to continue to provide their services to the Company. They also have individual service agreements with the Group which also include share based compensation. The Company will issue shares after the agreed vesting period and conditions are met. The total amount of shares which have not vested are 24,988 and associated deferred expense is $18,367. The remaining weighted average of the vesting period is 8 months. During the period, the Group's engagement with one of its contractors ceased resulting in a forfeiture of previously earned (but unvested) share-based compensation.

Critical accounting estimate - fair value at grant date

The Company's shares were not publicly traded at the time they were issued. The Company determined the fair value of share rights by reference to the value of shares issued in the closest equity round to the measurement date (the grant date). The Group considers this to be an estimated market price. The share rights have a nil exercise price and no expiration date. As such, the Group has determined the estimated share price is the appropriate fair value for the share rights issued. The holders of share rights are not entitled to dividends or voting rights until their rights are exercised. As the Company is not expected to pay dividends in the short or medium term, no adjustment to the fair value of the share price is made based on these terms and conditions. The Group considers the estimated market price to be consistent with the price a knowledgeable, willing market participant would pay.

27. SHAREHOLDER WARRANTS RESERVE

Information about warrants on current issue

In November 2022, the Company entered an agreement with Crown BP Holdings LLC (the 'shareholder') to receive a loan of $2.4 million and at the same time for the Company to issue warrants to the Shareholder. The arrangement was entered to enable the Company to meet the cash holdings requirements for its direct listing on the NZX. The Shareholder agreed to loan $2.4 million to the Company to meet its cash requirements, and the Company issued 2.5 million warrants (with an exercise price of one cent) in exchange for the Shareholder providing the loan on favourable terms. These warrants can be exercised any time and are transferrable after 23 May 2023, until 24 May 2027 (5 years after).

On 13 September 2023 180,000 warrants were exercised, at an exercise price of one cent, resulting in 180,000 ordinary shares being issued. A portion of the shareholder warrant reserve ($37,117) was transferred to share capital based on the number of warrants exercised.

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 has 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 $2.4 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.

Significant estimate

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 value of the warrants is the difference between the face value and fair value of the loan:

	$
Face value of the shareholder loan - see Note 22	2,400,000
less the fair value of the shareholder loan - see Note 22	(1,884,489)
Residual value allocated to share warrants	**515,511**
Less warrants exercised	(37,117)
Carrying value of warrants	**478,394**

28. 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:

	2024	2023
	$	$
NJL Limited		
Contracting services provided	-	180,378
Crown BP Holdings LLC		
Face value of the below-market loan provided to the Company - see Note 22	-	2,400,000
Interest earned on below-market loan provided to the Company - see Note 22	130,480	-
Modifications and conversion of the loan to ordinary shares - see Note 22	2,122,907	-
Insight Enterprises (NZ) Limited		
Hosting services provided	56	56
The Better Wine Company Limited		
Goods provided for the Company's listing event	-	4,080
Mallory Allen		
Design services provided	-	4,185
Sharon Daish Graphic Design		
Design services provided	-	638
NewOldStamp Incorporated		
Contracting services provided	1,073,498	511,266
Cloud Matchmaker Incorporated		
Consulting services provided	108,333	-
Prospect Desk, LLC		
Data provision services provided	236,442	-

There were no outstanding balances at year-end (2023: loan from Crown BP Holdings LLC).
Nicholas Lisette is a director and shareholder of NJL Limited, The Better Wine Company and Black Pearl Group Limited.
Timothy Crown is a director of Black Pearl Group Limited and Insight Enterprise Inc (US), a related party of Insight Enterprises (NZ) Limited. He is a director and major shareholder of Crown BP Holdings LLC and he also has a shareholding through his associated persons in Prospect Desk, LLC.
Mallory Allen and Sharon Daish are spouses of Key Management Personnel.
Volodymyr Zastavnyy is a major shareholder of NewOldStamp Incorporated.
Cherryl Pressley is a director and shareholder of Cloud Matchmaker Incorporated.
Crown BP Holdings LLC transferred 712,371 warrants to other shareholders who then utilised these.

Compensation of key management personnel of the Group	2024	2023
	$	$
Salaries and wages	2,009,025	1,230,729
Share-based payment transactions	49,827	591,650
Health insurance and other benefits	371	-
Total compensation provided to key management personnel	**2,059,223**	**1,822,379**

The amounts disclosed in the table 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 any director (whether executive or otherwise).

The Group identified Volodymyr Zastavnyy as key management personnel of the Group up until August 2023. Separate to his compensation included in the figures above he has received, and is owed, shares in relation to the variation of contingent consideration related to the Newoldstamp acquisition. For more detail, see Note 17.

No amounts arising from transactions with related parties have been written off or forgone during the year (2023: nil).

29. 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 2024, the Group had operating cash outflows of $5,425,035 (2023: $5,207,793) and the cash balance at year end was $1,854,458 (2023: $1,759,268). The Group incurred a total comprehensive loss for the year of $5,475,330 (2023: $7,004,373 loss).

As a result of these factors there is a material uncertainty that may cast significant doubt on the Group's ability to continue as a going concern and, therefore, that it may be unable to realise its assets and discharge its liabilities in the normal course of business.

While the Group is tracking as expected towards recurring cash profitability with cash on hand, when assessing the Group as a Going Concern the Board acknowledges that based on cashflows and loss for the year there are potential conditions and/or events which could possibly occur. These material uncertainties are based on the Board's key judgements related to the Group's ability to either:

- Achieve revenue growth anticipated; and or
- Reduce operating expenses if planned revenue growth is delayed or capital not raised.

The Board will consider raising capital if required appropriate for further business growth.

During FY24 the Group successfully executed its strategy to grow Monthly Recurring Revenue (MRR) through its new Pearl Diver product. In the 13 months since its launch in March 2023, Pearl Diver's Annual Recurring Revenue (ARR) reached $4.9m, bringing the Group's total ARR to $7.4m, a 177% increase from March 2023. The 2025 business plan assumes continued revenue growth driven by the Pearl Diver product.

The Group's financial strategy focuses on growing a strong and reliable source of monthly recurring revenue (MRR), ensuring consistent and predictable revenue. As the customer base grows through new sign-ups, each additional subscriber contributes to the overall revenue. This ongoing growth is not limited to a one-time occurrence.

The Group's gross profit margin in FY24 was 71%, up from 49% in FY23. The Groups recurring revenue along with its gross profitability provides the Group the flexibility to retrench to a net profit position if the Group chooses not to continue its growth strategy.

At 31 March 2024 the Group's current assets exceeded its current liabilities by $853,856.

The Group can reduce its operating expenditure to conserve cash. The Group's business model has been designed to enable this flexibility and includes limiting fixed expenditure and ensuring contracts are highly flexible in nature (for example the use of contractors).

The Directors consider the Group to be a going concern and believe the Group will achieve its financial forecast and, if necessary, secure investment to the extent necessary to continue as a going concern.

30. COMMITMENTS AND CONTINGENCIES

The Group has no commitments or contingencies at year end (2023: nil).

31. EVENTS AFTER BALANCE DATE

On 17 June 2024, 2,507,408 unquoted restricted share units were issued under the the Group's new Key Personnel Restircted Share Unit Plan.

32. CONSOLIDATED ENTITY

The consolidated financial statements of the Group include:

Name	Principle activities	Country of Incorporation	Equity Interest	
			2024	2023
Black Pearl Group Incorporated	Same as the 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%
Noir Perle Limited	Nil activity	New Zealand	100%	-

33. CASHFLOW RECONCILIATIONS

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

	2024	2023
	$	$
Loss for the year attributable to owners of the parent	**(5,401,798)**	**(6,900,648)**
Add/(less) non-cash items included in net loss		
Depreciation and amortisation expense	767,268	358,052
Share-based payment transactions	373,445	759,056
Amortisation and remeasurement of below-market term loans	-	114,006
Fair value difference on government loans	-	-
Foreign exchange losses	18,958	6,406
Fair value measurement of contingent consideration	71,002	15,776
Gain on derecognition of financial instruments	(1,325,120)	-
Non-cash contract liability acquired during business combination	-	(70,663)
Non-cash tax expense from business combination	-	(270,022)
Other non cash items	123,678	(38,566)
Total non cash items	**29,231**	**874,045**
Add/(less) movements in working capital items		
(Increase)/decrease in receivables	(63,023)	135,358
(Increase)/decrease in prepayments	(103,548)	(32,660)
Increase/(decrease) in payables	(60,130)	268,125
Increase/(decrease) in employee entitlements	47,810	43,377
Increase/(decrease) in contract liabilities	126,423	404,610
Net movement in working capital	**(52,468)**	**818,810**
Net cash outflow from operating activities	**(5,425,035)**	**(5,207,793)**

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

The only movement in liabilities affected by cash flows from financing activities is for the Group's lease liabilities, loans and borrowings and equity balances.

Loans and borrowings decreased by $2.019 million. Cash movements relate to loan repayments of $22,856 for the Company's research and development loan and $10,400 for the Company's small business cashflow loan, as well as the net cash movement in credit card balances of $20,741. Non-cash movements relate to the modification and conversion of the shareholder loan to equity of $2,122,907, $14,756 fair value write down on government loans, and an increase of $143,059 from interest recognised as part of the amortisation of the loans and borrowings. Further details about these loans can be found in Note 22.

Lease liabilities increased by $133,828, with the recognition of a new lease liability in relation to the Group's office lease.

Share capital increased by $8.9 million, consisting of net cash of $6.1 million from the issue of shares. Non cash movements included $1.8 million related to conversion of shareholder loans to equity, $37,717 of conversion of shareholder warrants, and $994,049 of share based payments converted to shares and $72,000 of shares issued in relation to contingent consideratinon.

Company Directory

Incorporation Number

4064918

Directors

Nicholas Lissette
Timothy Crown
Mark Osborne
Cherryl Pressley
Hugo Fisher (appointed 18 July 2023)

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About Blackpearl Group

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

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

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

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