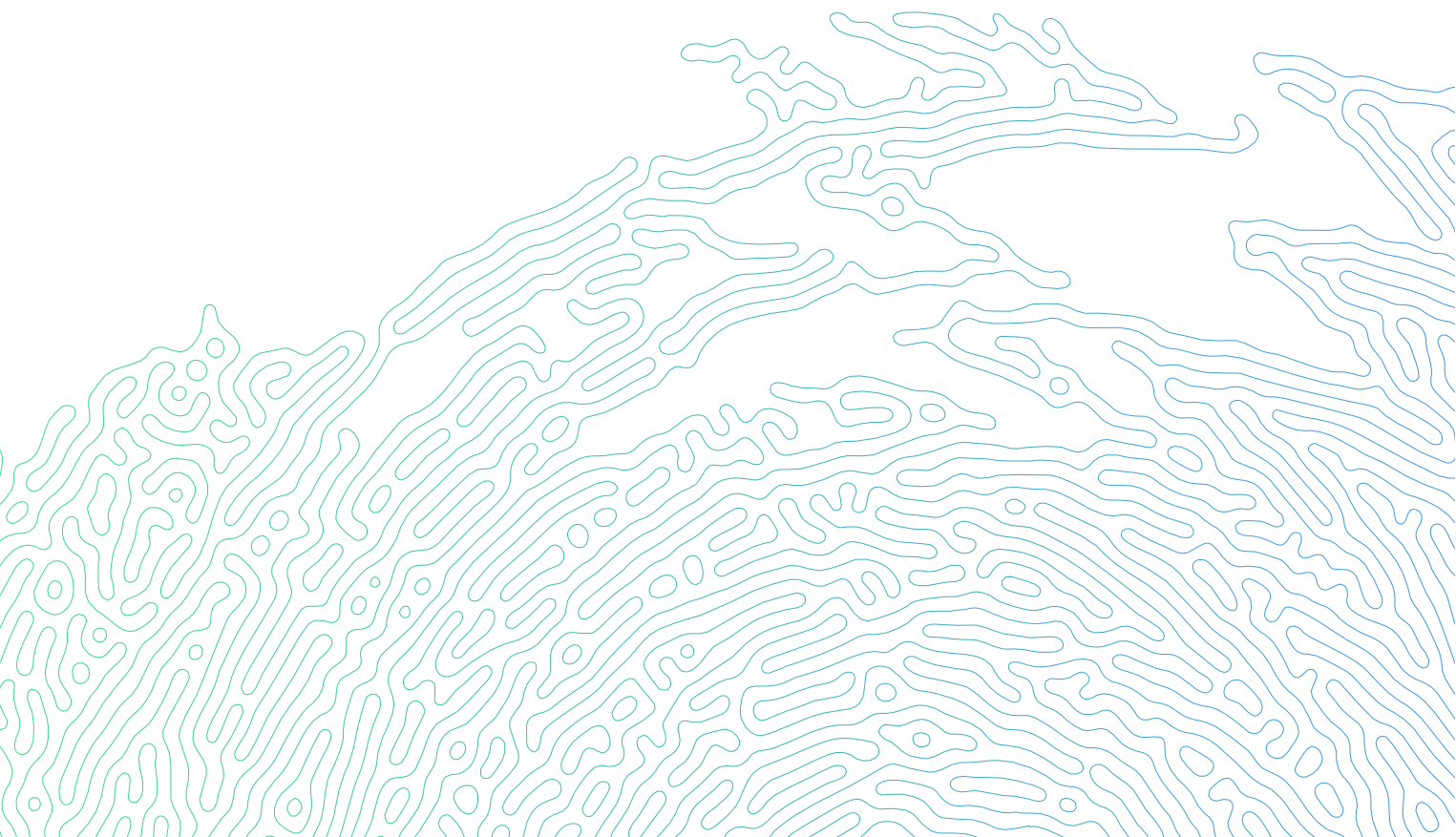


Blackpearl Group - **Notice Of Annual Meeting**

# **Notice of 2023 Annual Shareholders Meeting**



## Notice Of Annual Meeting

21 August 2023

Dear Shareholder,

Please find enclosed notice (Notice) of Black Pearl Group Limited's (BPG or the Company) annual shareholders' meeting (Meeting) which will be held in person on Monday 4 September 2023 at Duncan Cotterill, Level 5, 50 Customhouse Quay, Wellington Central, Wellington 6011, starting at 10am NZDT.

The Board warmly welcomes shareholders to BPG's first Meeting as a listed company and we look forward to updating shareholders on the Company's growth and performance thus far, as well as providing updates on the development of Pearl Diver and BPG's other products and services.

BPG shareholders will be asked to vote on the following resolutions:

- fixing the auditor's remuneration;
- the election of Hugo Fisher as an independent Director;
- the approval of agreements in association with Pearl Diver, entered into with Prospect Desk, who is an Associated Person of BPG Chair, Tim Crown;
- the approval to ratify Shares issued under BPG's most recent capital raise;
- the issue of Shares to Crown BP Holdings, LLC, an Associated Person of Tim Crown, to capitalise the NZ\$2.4 million debt plus interest, issued under the Promissory Note; and
- the issue of up to 2,056,518 restricted share units in BPG to select BPG employees and contractors under the Restricted Share Unit Plan and individual Letters of Invitation.

Under the NZX Listing Rules (Rules), Resolutions 3 and 5 must be accompanied by an independent appraisal report. Accordingly, the Company has instructed Simmons Corporate Finance Limited to complete the appraisal report, which has been circulated with this Notice.

In its appraisal report, Simmons Corporate Finance Limited has concluded that in its opinion, after having regard to all relevant factors:

- the terms and conditions of the Fee Cap Amendment (as defined in the appraisal report) are fair to the non-associated shareholders; and
- the terms and conditions of the Equity Conversion Agreement are fair to the non-associated shareholders.

The Board encourages you to read this Notice and appraisal report in its entirety and exercise your right to vote.

### Board Recommendation

The Board considers that resolutions 1 and 2 are in the best interests of BPG and its shareholders and recommends that shareholders vote in favour of the resolutions.

The non-interested Directors of the Board for resolutions 3, 4 and 5 (being Nick Lissette, Cheryl Pressley, Hugo Fisher and Mark Osborne), consider that resolutions 3, 4 and 5 are in the best interests of BPG and its shareholders and recommends that shareholders vote in favour of the resolutions.

The non-interested Directors of the Board for resolution 6 (being Hugo Fisher, Tim Crown and Mark Osborne), consider that resolution 6 is in the best interests of BPG and its shareholders and recommends that shareholders vote in favour of the resolution.

## Proxy Form

The enclosed proxy form has detailed instructions on how shareholders may lodge their vote or appoint a proxy to vote on their behalf if they are unable to attend the meeting in person.

Shareholders attending the meeting in person will be given the opportunity to raise questions. Shareholders may also submit written questions on the bottom of the Proxy Form. The main themes will be aggregated and responded to at the Meeting. Alternatively, written questions can be sent online at <https://investorcentre.linkgroup.nz/voting/BPG> or by email to [meetings@linkmarketservices.com](mailto:meetings@linkmarketservices.com).

BPG reserves the right not to address questions that, in the Chair's opinion, are not reasonable in the context of an annual shareholders' meeting, or any written questions that are not received by 3pm NZDT on Friday, 1 September.

I look forward to seeing you at the Meeting.

A handwritten signature in black ink, appearing to read 'Tim Crown', with a long horizontal flourish extending to the right.

Tim Crown  
ChairmanProxy Form

## Notice Of Annual Meeting

Notice is hereby given that the annual shareholders' meeting (Meeting) of Black Pearl Group Limited (BPG or the Company) will be held in person on Monday 4 September 2023 at Duncan Cotterill, Level 5, 50 Customhouse Quay, Wellington Central, Wellington 6011, starting at 10am NZDT.

## Agenda

- A. Chairman's introduction.
- B. Presentation to shareholders.
- C. Questions.
- D. Resolutions.

## Resolutions

To consider and, if thought fit, to pass the following ordinary resolutions:

1. **Auditor's Remuneration:** that the Board be authorised to fix the fees and expenses of the Company's auditors.
2. **Election of Hugo Fisher:** that Hugo Fisher, who retires as a Director in accordance with Rule 2.7.1, and being eligible, be elected as a Director of BPG.
3. **Approval of Master Services Agreement and Statement of Work with Related Party:** that the agreements for the supply of data and associated services entered into with Prospect Desk, LLC, on the basis described in the Explanatory Notes, are approved for the purposes of Rule 5.2.1
4. **Ratification of Placement Shares:** that, in accordance with Rule 4.5.1(c), the ratification of 5,250,407 Shares issued under the Placement on 26 June 2023 is approved.
5. **Issue of Shares under the Equity Conversion Agreement:** that the issue of 3,840,106 Shares to Crown BP Holdings, LLC under the Equity Conversion Agreement, be approved in accordance with Rules 4.2.1 and 5.2.1.
6. **Issue of Restricted Share Units to Key Personnel:** that, under Rule 4.2.1(a), the Board is authorised to offer to Key Personnel, up to 2,056,518 restricted share units (representing up to 5% of BPG's Shares on issue as at the date of this Notice if 100% of the restricted share units were to vest and convert to Shares on a one-for-one basis) on the terms of the Key Personnel Restricted Share Unit Plan described in the Explanatory Notes.

# Procedural notes

## Proxies

Any shareholder of BPG who is entitled to attend and vote at the Meeting may appoint a proxy to attend and vote on their behalf. A corporation which is a shareholder may appoint a representative to attend the Meeting on its behalf in the same manner as it could appoint a proxy. A proxy does not need to be a shareholder of BPG. A Proxy Form can be returned by delivery, mail, email, or online (as set out below).

The Chairman of the Meeting (Tim Crown) and any of the Directors are prepared to act as proxy. Where any Director is appointed as a discretionary proxy and is not prohibited from voting, each of the Directors intends to vote in favour of all of the Resolutions. Tim Crown is prohibited from voting on resolutions 3, 4 and 5.

Voting restrictions apply to the persons (and their respected Associated Persons, as defined in the Rules) as detailed below and shareholders are encouraged to give express voting directions to any of the listed persons that they appoint as their proxy.

To appoint a proxy, you should complete and sign the enclosed Proxy Form and either return it by delivery, mail or email to the share registrar of BPG:

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By delivery:

Black Pearl Group Limited  
C/- Link Market Services Limited  
Level 30, PwC Tower  
15 Customs Street West  
Auckland 1010

By mail:

Black Pearl Group Limited  
C/- Link Market Services Limited  
PO Box 91976  
Auckland 1142

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By email: [meetings@linkmarketservices.co.nz](mailto:meetings@linkmarketservices.co.nz)

**(please put the words "BPG Proxy Form" in the subject line for easy identification)**

You may also lodge your proxy online at <https://investorcentre.linkgroup.nz/voting/BPG>. You will require your CSN/Holder Number and FIN to complete your proxy appointment. A shareholder will be taken to have signed the Proxy Form by lodging it in accordance with the instructions on the website.

The completed Proxy Form must be received by Link Market Services no later than Friday, 1 September at 3pm NZDT. Online proxy appointments must also be completed by this time. Registered shareholders at that time will be the only persons entitled to vote at the Meeting and only the shares registered in those shareholders' names at that time may be voted at the Meeting.

## Shareholder Questions

Shareholders attending the meeting in person will be given the opportunity to raise questions.

Shareholders may also submit written questions on the bottom of the Proxy Form. The main themes will be aggregated and responded to at the Meeting. Alternatively, written questions can be sent online at <https://investorcentre.linkmarketservices.co.nz/voting/BPG> or by email to [meetings@linkmarketservices.com](mailto:meetings@linkmarketservices.com).

BPG reserves the right not to address questions that, in the Chair's opinion, are not reasonable in the context of an annual shareholders' meeting, or any written questions that are not received by 3pm NZDT on Friday, 1 September.

## Ordinary Resolutions

All resolutions are ordinary resolutions. An ordinary resolution is a resolution passed by more than 50% of votes of those shareholders entitled to vote and voting on the resolutions in person or by proxy.

## Notice Of Annual Meeting

### Voting Restrictions

Pursuant to Rule 6.3.1, the following voting restrictions apply:

- In relation to Resolution 3, BPG Chair, Tim Crown, and his Associated Persons are prohibited from voting any Shares that they hold.
- In relation to Resolution 4, any shareholder, and their respective Associated Persons, who acquired Placement Shares, are prohibited from voting any Shares that they hold. This includes Crown BP Holdings, LLC and its Associated Persons, including Tim Crown.
- In relation to Resolution 5, Crown BP Holdings, LLC and its Associated Persons, including Tim Crown, are prohibited from voting any Shares that they hold.
- In relation to Resolution 6, BPG executive Directors, Nick Lisette and Cheryl Pressley and their Associated Persons, are prohibited from voting as Shares that they hold.

The Company will disregard any votes cast on Resolutions 3, 4, 5 and 6 (as applicable) by any person to whom the above restrictions apply. Any discretionary proxies given to persons disqualified from voting under the requirements set out above will not be valid.

The definition of Associated Person has the same meaning as under the Rules, and includes persons or legal entities who are able to directly or indirectly exert a substantial degree of influence over the activities of another person or legal entity (or vice versa).

Capitalised terms not defined in this Notice have the same meaning as in the Rules.

### NZ RegCo No Objection

This Notice has been reviewed by NZX Regulation Limited (NZ RegCo). NZ RegCo has confirmed it has no objection to this Notice but takes no responsibility for the contents of this Notice.

# Explanatory Notes

## Resolution 1: Auditor's Remuneration

Pursuant to section 207T of the Companies Act 1993, William Buck New Zealand is automatically reappointed as auditor of BPG at the Meeting. This resolution authorises the Board to fix the fees and expenses of William Buck New Zealand as BPG's auditor in accordance with section 207S of the Companies Act 1993.

## Resolution 2: Election of Hugo Fisher

Hugo Fisher was appointed by the Board with effect from 18 July 2023. Rule 2.7.1 provides that a Director appointed by the Board will hold office until the next annual meeting, at which time they must retire but shall be eligible for election.

Hugo Fisher has over 25 years of experience in both local and international financial markets. Hugo has built a network of trusted financial and investment industry participants around the world (including kiwi saver providers, institutional investors, US mutual funds, multi strategy hedge funds, private equity and venture capital investors). Hugo holds a Bachelor of Commerce (Finance) and Bachelor of Arts from the University of Otago, as well as a Post Graduate Diploma of Applied Finance and Investment from the Securities Institute of Australia (SIA).

The Board considers Hugo to be an Independent Director. Being eligible, Hugo has offered himself for election by shareholders. The Board unanimously supports the election of Hugo.

## Resolution 3: Approval of the Master Services Agreement and Statement of Work

### Background

On 23 March 2023, BPG announced the launch of Pearl Diver, BPG's new SaaS product that provides businesses unique visibility into their website visitors. The provision of Pearl Diver's services is facilitated by data partnerships and data co-operatives that supply data and associated services that feed into the Pearl Engine. Pearl Diver cannot operate without the supply of data. To this effect, in March 2023, BPG negotiated terminable agreements with Arizona based limited liability company, Prospect Desk, LLC (Prospect Desk). Prospect Desk is a "Related Party" of BPG through BPG's Chair, Tim Crown, on the basis outlined further below. BPG has relied on this agreement until August 2023, when BPG entered into a master services agreement (Master Services Agreement) and a statement of work (Statement of Work) with Prospect Desk on 1 August 2023 and 4 August 2023 respectively. The Master Services Agreement and Statement of Work are of materially the same terms as the negotiated agreements from March 2023, with the exception that the terms of the written agreements are for a minimum of three years.

BPG seeks shareholder approval of the Master Services Agreement, Statement of Work and other related transactions stemming from the Master Services Agreement. The key terms of the Master Services Agreement and Statement of Work are outlined below.

### Master Services Agreement

The Master Services Agreement sets out the relationship between BPG and Prospect Desk for the provision of data partnership services for BPG. The Master Services Agreement has a minimum term of three years, with the ability to mutually agree to renew the term for a further three years, or such other period(s) as agreed to by the parties. The terms of the Master Services Agreement are consistent with what would typically be expected in a commercial services agreement, with the exception of the following clauses:

- Data Licence Grants:** Prospect Desk has agreed to grant BPG a non-exclusive licence to use the data held in its data co-operative. In consideration, BPG has agreed to grant Prospect Desk a limited, non-exclusive, revocable licence to use, including the right to store, process and modify certain data held by BPG (BPG Contribution Data), subject to the use of the BPG Contribution Data being permitted under BPG's Privacy Policy.
- Fee Cap:** Until such time as BPG obtains shareholder approval for the Master Services Agreement and all related series of transactions, the aggregate amount BPG is required to pay to Prospect Desk under the Master Services Agreement, statements of work or other related transactions, is capped at NZ\$250,000 (Fee Cap). Should the aggregate amount reach NZ\$250,000, Prospect Desk may suspend or terminate the Master Services Agreement or any statements of work or related transactions (including any part of them) by giving written notice to BPG. There are no break fees associated with termination. Upon obtaining shareholder approval, the Fee Cap ceases to apply. The Fee Cap was included to ensure that BPG complied with the Rules.
- Effect of Termination:** On termination of the Master Services Agreement, all data licenced through the Master Services Agreement by Prospect Desk and BPG will cease. All fees payable under the Master Services Agreement and any statements of work will cease.

## Notice Of Annual Meeting

### Statements of Work

Under the Master Services Agreement, BPG has the ability to engage with and enter into statements of work or data participation agreements for the provision of services and data contributions to improve and develop the Pearl Engine.

BPG has entered into a Statement of Work with Prospect Desk for the provision of business consulting services and data access and processing services for Pearl Diver. The data provided by Prospect Desk under the Statement of Work is supplied to Pearl Diver customers and end users as part of Pearl Diver's services.

The key terms of the Statement of Work with Prospect Desk are as follows:

- 1. Services:** Prospect Desk will provide the following services:
  - a. business consulting services in relation to the business strategy and marketing for BPG's products and services (Business Consulting Services); and
  - b. access and processing of data (Data Services).
- 2. Term:** a term of:
  - a. in relation to the Business Consulting Services, month to month; and
  - b. in relation to the Data Services, three years or until termination or any extension in accordance with the Master Services Agreement.
- 3. Consideration:** the consideration for the provision of the services above are in the form of fixed fees and revenue-based fees (Fees) being:

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One-off program set up fee + data access fee	US\$25,000
Three Month business consulting fee of US\$5,000 per month	US\$15,000
Data processing fee (monthly)	20% of net revenue collected by BPG from the BPG's customers and/or end users to the extent the net revenue relates to services that use the data supplied processing component provided by Prospect Desk. Minimum fee of US\$15,000

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- 4. Fee Cap:** The Fee Cap terms in the Master Services Agreement applies.



### Implications of the Transaction

BPG currently relies on the Master Services Agreement and Statement of Work for the provision and processing of required data that enables Pearl Diver to provide services to its end users. It is uncertain as to the total amount of fees BPG is expected to pay to Prospect Desk, as this would depend on the success of the sales and marketing of Pearl Diver. BPG however, is confident that the Fee Cap would be reached by the end of this year. Should the Fee Cap be reached, Prospect Desk has the ability to suspend or terminate the Master Services Agreement and any Statements of Work under it. Pearl Diver is unable to provide the full extent of its services without the data from Prospect Desk provided by the agreements.

The Master Services Agreement and Statement of Work also facilitates the following opportunities for BPG:

#### 1. Increase in Monthly Recurring Revenue and Growth in US Markets

The approval of the Master Services Agreement, the Statement of Work and any related statements of work that may be entered into in the future, will enable BPG to continue to increase its MRR and ARR through the continuation of services provided through Pearl Diver. Not only does the steady increase in MRR and ARR promote growth and profitability, Pearl Diver is also the key for BPG to infiltrate the SMB market based in the USA and provide future growth potential and draw in overseas investors. Since the launch of Pearl Diver in March 2023, new sales from Pearl Diver has secured \$1.1M in new ARR. BPG can only achieve this growth and continued sales once the Fee Cap restriction is removed.

#### Pearl Diver revenue per customer

	Tier 1	Tier 2	Tier 3	Tier 4
MRR	\$316	\$617	\$1,273	\$2,181
ARR	\$3,792	\$7,404	\$15,276	\$26,172

Monthly Recurring Revenue (MRR) per customer is calculated using the monthly revenue generated per customer. Annual Recurring Revenue (ARR) per customer is calculated based on 12x the MRR of each price tier.

#### 2. Opportunities for Development of the Pearl Engine

The Pearl Engine serves as a catalyst for data enhancement within BPG. BPG leverages an extensive set of proprietary data and data partnerships to create data-powered features and products. The data and services procured through the Master Services Agreement and statements of work, will create opportunities for the development of analytical and artificial intelligence features that are extended to BPG's products via the Pearl Engine and uncover new insights for the growth of the Company.

## Notice Of Annual Meeting

### Key Risks

The Master Services Agreement and any statements of work under it are governed by the laws of the State of Arizona and any disputes will be subject to dispute resolution procedures in Arizona. If BPG needed to enforce the terms of the Master Services Agreement and any statements of work under it, it would be required to do so in the jurisdiction of Arizona. The total liability of Prospect Desk or BPG under the Master Services Agreement or any statements of work under it is limited to the total amount paid by BPG under the Master Services Agreement or any statements of work under it. There is a risk that Prospect Desk's liability to BPG exceeds that liability limit and BPG is unable to fully recuperate any loss.

### NZX Listing Rule Requirements

Shareholder approval for Resolution 3 is required under Rule 5.2.1.

Rule 5.2.1 states that an Issuer must not enter into a "Material Transaction" if a "Related Party" is, or is likely to become, a direct party to the Material Transaction, unless that Material Transaction is approved by an ordinary resolution or conditional on such approval.

The Master Services Agreement and Statement of Work are a related series amounting to a Material Transaction with a Related Party due to the following factors:

#### 1. Material Transaction

A "Material Transaction" for the purposes of the Rules includes a transaction, or a related series of transactions, whereby an Issuer provides or obtains services where the gross cost to the Issuer in any financial year is likely to exceed an amount equal to 1% of the Average Market Capitalisation of the Issuer, with exception to when the gross cost is less than NZ\$250,000 in any financial year.

The Statement of Work is currently not a "Material Transaction" for the purposes of the Rule 5.2.1 as it has a Fee Cap of NZ\$250,000. BPG proposes to remove the Fee Cap as BPG expects the Fee Cap to be reached by the end of this year. Should the Fee Cap be removed as it currently stands, the Statement of Work would be a "Material Transaction" for the purposes of the Rules as the fees payable to Prospect Desk would exceed 1% of BPG's Average Market Capitalisation, being approximately NZ\$138,700 (measured over the 20 trading days before BPG's announcement on the launch of Pearl Diver on 23 March 2023).

#### 2. Related Party

The Master Services Agreement and Statement of Work are Material Transactions with Related Parties. A "Related Party" for the purposes of the Rules includes an Associated Person of a Director of the Issuer. An Associated Person includes someone who is able to, directly or indirectly, exert a degree of influence over another person or entity, or vice versa. BPG Chair, Tim Crown has a 35% shareholding through his Associated Persons, and therefore, is able to exert a degree of influence over Prospect Desk, making Prospect Desk a Related Party of BPG.

Accordingly, BPG proposes to seek shareholder approval of the Master Services Agreement, Statement of Work and any other related transaction that may stem from the Master Services Agreement as a "Material Transaction" with a "Related Party" for the purposes of Rule 5.2.1 and in accordance with the terms of the Master Services Agreement and Statement of Work.

### Statements of Work with Potential Related Parties

As noted above, the Master Services Agreement provides BPG the ability to engage with and enter into statements of work or data participation agreements for the provision of services and data contributions to improve and develop the Pearl Engine. Due to the potential related party relationships that may arise between BPG and potential companies that provide the services and data contributions (due to Tim Crown's extensive investment portfolio in a large number of US tech enterprises such as Prospect Desk), BPG has adopted a process to ensure that the statements of work and data participation agreements are entered into on an arms' length basis by ensuring that each party is represented by their own legal counsel as required and ensuring that Tim Crown abstains from voting on any Board approval for the entry into future statements of work. BPG also acknowledges that the entry into the above agreements and the opportunities with the Pearl Engine and Pearl Diver that it has provided as a result, would not have been possible but for BPG Chair, Tim Crown and his Associated Persons. BPG is aware of its continuous disclosure obligations and will update the market on any other material agreements entered into under the Master Services Agreement.

### **Appraisal Report**

Rule 7.8.8(b) requires that the relevant notice of meeting provided to shareholders for approval of a Related Party transaction be accompanied by an appraisal report. The appraisal report has been prepared by Simmons Corporate Finance Limited for the benefit of BPG shareholders in accordance with Rules 7.10 and 7.8.8(b) and accompanies this Notice in relation to this resolution.

### **Implications of Resolution 3 not proceeding**

Access to Prospect Desk data is currently critical to servicing existing Pearl Diver customers and obtaining new Pearl Diver customers. Under the Statement of Work and the Master Services Agreement, the Fees payable to Prospect Desk, including the 20% of the net collected revenue from BPG's products and/or services that use the data processing component provided by Prospect Desk (payable monthly), is limited to the NZ\$250,000 Fee Cap.

Should the revenue from Pearl Diver continue to increase and the Fee Cap be reached, Prospect Desk has the ability to suspend or terminate the Master Services Agreement. If the Statement of Work is terminated, it is highly likely that Pearl Diver will no longer be able to provide its services and all revenue associated with Pearl Diver would cease and detrimentally impact BPG's growth and development plans. BPG would need to source the data from other providers and develop processing programmes to integrate with the Pearl Engine, which would take time and resources that could be spent on other growth and development projects.

## **Resolution 4: Ratification of Placement Shares**

On 26 June 2023, BPG issued 5,250,407 shares in BPG (Shares) under a private Placement (Placement Shares) raising approximately NZ\$2.2 million at an issue price of NZ\$0.42 per Share. The Placement commenced on 26 May 2023 and was limited to wholesale investors in New Zealand and accredited investors based in the United States of America. The Placement Shares are of the same class and rank equally with all other existing ordinary shares in BPG and represents just under 15% of BPG's equity securities on issue immediately prior to the commencement of the Placement.

Tim Crown, Director and Chairman of the Company, indirectly participated in the Placement on the same terms and criteria as all the other Placement participants, through his Associated Persons, Crown BP Holdings, LLC and Ohana Farms, LLC. No other Director or Senior Manager participated in the Placement.

The ratification of the Placement Share issue will provide the Company with further avenues for raising capital and place the Company in the best position to seize new growth opportunities. Should shareholders approve this resolution, BPG proposes to raise further capital before the end of the year to accelerate the growth of Pearl Diver and supporting BPG's drive to profitability.

### **NZX Listing Rule Requirements**

Shareholder approval for Resolution 4 is required under Rule 4.5.1(c).

The Placement Shares were issued in accordance with Rule 4.5.1, which permits an issue of shares up to 15% of the issued share capital of BPG in any 12 month period without prior shareholder approval.

Rule 4.5.1(c) effectively provides BPG Shareholders the opportunity to replenish the 15% placement capacity under Rule 4.5.1 by way of an ordinary resolution, allowing BPG to issue up to another 15% of its issued capital in the same 12 month period.

### **Implications of Resolution 4 not proceeding**

Should Resolution 4 not be passed, BPG will only be able to issue a very limited number of Shares under Rule 4.5.1 and will have to wait 12 months from the Placement Share issue date, being 26 June 2024, to raise further capital. This would be highly detrimental to BPG's pathways to growth and profitability, as without further capital, BPG would have to halt sales and marketing immediately, greatly limiting the development and promotion of Pearl Diver.

Failure to pass Resolution 4 will not affect the validity of the Placement Shares already issued.

## Notice Of Annual Meeting

### Resolution 5: Issue of Shares under the Equity Conversion Agreement

#### Background

On 26 November 2022 and prior to BPG listing on the NZX Main Board, Crown BP Holdings, LLC (a Related Party of BPG through BPG's Chair, Tim Crown, on the basis described further below) advanced to BPG NZ\$2,400,000 with a fixed interest rate of 1% per annum (Debt) under a promissory note (Promissory Note). Under the Promissory Note, BPG agreed to repay half of the Debt by 23 December 2023 and the balance by 23 January 2025. Under the Promissory Note, Crown BP Holdings, LLC was issued 2.5 million warrants in BPG (Warrants). Each Warrant converts into one ordinary share in BPG, and can be exercised by Crown BP Holdings, LLC at any time until 24 May 2028. No Warrants have been exercised as at the date of this Notice. Further information on the Warrants can be found in BPG's FY23 Annual Report.

The Promissory Note was amended by Crown BP Holdings, LLC on 13 April 2023, extending the Debt repayment dates by 12 months each (Promissory Note Amendment).

#### Equity Conversion Agreement

As announced to the market on 26 June 2023, BPG entered into a conditional equity conversion agreement with Crown BP Holdings, LLC (Equity Conversion Agreement) to fully capitalise the Debt owed under the Promissory Note. Under the Equity Conversion Agreement, Crown BP Holdings, LLC is required to convert 100% of the Debt under the Promissory Note to Shares in BPG at a conversion price of NZ\$0.63 per Share (Conversion), being a 50% premium over the issue price of \$0.42 under the capital raising completed in June 2023. Under the terms of the Equity Conversion Agreement, the Conversion is conditional upon BPG obtaining shareholder approval under Rule 4.2.1.

#### Implications of the Issue of Shares under the Equity Conversion Agreement

Upon approval of Resolution 5, Crown BP Holdings, LLC will be issued 3,840,106 new Shares in BPG under the Equity Conversion Agreement within seven (7) days from the date of this Meeting.

The capitalisation of the Debt will enable the Company to preserve cash to invest in the growth and development of the Company, whilst encouraging the alignment of Crown BP Holdings, LLC's interest as an investor and as an Associated Person of BPG Director and Chairman, Tim Crown, with those of the Shareholders of BPG for the long term.

#### Dilutive effects

Upon Conversion of the Debt in full, the Promissory Note and Promissory Note Amendment are deemed to be terminated with no further effect and Crown BP Holdings, LLC will be issued 3,840,106 new Shares.

Crown BP Holdings, LLC's shareholding will be increased accordingly:

	Pre-Conversion	Post-Conversion
<b>Number of Shares held by Crown BP Holdings, LLC*</b>	3,098,129	6,938,235
<b>Total in class</b>	41,130,377	44,970,483
<b>Total percentage of class held by Crown BP Holdings, LLC</b>	7.532%	15.428%
<b>Example Shareholding percentage</b>	5% (2,056,518 shares)	4.573%

\*Crown BP Holdings, LLC is an Associated Person of Tim Crown. Tim Crown has a relevant interest (as defined in the Financial Markets Conduct Act 1993) in 3,485,153 Shares in aggregate through his relevant interests in Crown BP Holdings, LLC and Ohana Farms, LLC. Crown BP Holdings, LLC holds 2,500,000 Warrants and Tim Crown also directly holds 288,000 Restricted Shares in BPG. For a description of the Restricted Share terms, please refer to page 42 of BPG's FY23 Annual Report.

## **NZX Listing Rule Requirements**

Shareholder approval for Resolution 5 is required under Rule 4.2.1 and 5.2.1.

Under Rule 4.2.1, BPG must, with exception to certain circumstances listed under Rule 4.1.2, only issue equity securities with approval by ordinary resolution, and complete the share issuance within 12 months of obtaining shareholder approval.

Rule 5.2.1 states that an Issuer must not enter into a "Material Transaction" if a "Related Party" is, or is likely to become, a direct party to the Material Transaction, unless that Material Transaction is approved by an ordinary resolution or conditional on such approval.

The capitalisation of the Debt under the Equity Conversion Agreement is a Material Transaction with a Related Party due to the following factors:

### **1. Material Transaction**

A "Material Transaction" for the purposes of the Rules includes a transaction where an Issuer issues its own Financial Products having a market value above 10% of the Issuer's Average Market Capitalisation.

The market value of the new Shares to be issued under the Equity Conversion Agreement is NZ\$2.4 million, being over 10% of BPG's Average Market Capitalisation of approximately NZ\$18 million as at the date of entry into the Equity Conversion Agreement.

### **2. Related Party**

A "Related Party" for the purposes of the Rules includes an Associated Person of a Director of the Issuer.

Crown BP Holdings, LLC is an Arizona Limited Liability Company, and is an Associated Person of BPG Chair, Tim Crown, as Tim is a major shareholder, manager (through his membership of Anchor Management, LLC) and a member of Crown BP Holdings, LLC.

## **Appraisal Report**

Rule 7.8.5 requires an appraisal report to accompany a notice of meeting if more than 50% of the Shares to be issued by way of an ordinary resolution is intended to be acquired by directors or Associated Persons of directors of BPG, and Rule 7.8.8(b) requires that the relevant notice of meeting provided to shareholders for approval of a Related Party transaction be accompanied by an appraisal report.

Crown BP Holdings, LLC is an Associated Person and a Related Party of BPG Chair, Tim Crown, as explained above. Accordingly, an appraisal report has been prepared by Simmons Corporate Finance Limited and accompanies this Notice in relation to this resolution.

## **Implications of Resolution 5 not proceeding**

Should Resolution 5 not be passed, the new Shares will not be issued to Crown BP Holdings, LLC, and the Debt will only be payable by way of cash in accordance with the Promissory Note and the Promissory Note Amendment. BPG will need to divert cash to pay off the Debt by 23 January 2026 rather than invest in Company growth. If the Company is unable to pay off the Debt repayments, the Company will need to return to Shareholders for alternative capital options.

## Notice Of Annual Meeting

### Resolution 6: Issue of Restricted Share Units to Key Personnel

BPG is proposing to issue up to 2,056,518 unquoted, non-transferrable restricted share units in BPG (RSUs) to select employees and Contractors of BPG (Key Personnel). This represents 5% of BPG's Shares on issue at the date of this Notice (if 100% of the RSUs were to vest and convert to Shares on a one-for-one basis). BPG proposes to issue the RSUs under a new Restricted Share Unit plan (RSU Plan) to a wholly owned subsidiary to hold the RSUs on bare trust for the benefit of the Key Personnel within 36 months in accordance with Rule 4.2.2(a).

The RSUs are convertible equity securities that entitle the holder to one ordinary share in BPG per RSU. The RSUs will be issued to the Key Personnel at nil cost, in consideration for the Key Personnel's contributions to the Company. Shares will be vested with the Key Personnel over a defined period to provide an incentive and retention arrangement that is appropriate in the circumstances and will be offered to each Key Personnel through a letter of invitation to participate in the RSU Plan (Letter of Invitation). Shares issued on the conversion of the RSUs are issued on the same terms and rank equally with the BPG Shares quoted on the NZX Main Board.

The exercise price (if any) of the RSUs will vary depending on the Key Personnel's Letter of Invitation. The Letters of Invitation are subject to the Restricted Share Unit Plan Rules. In any case, the RSUs will lapse (vested or unvested) upon the Key Personnel ceasing to be employed or contracted by BPG or any of its subsidiaries.

The Board considers that a new RSU Plan will incentivise and align BPG's key personnel with the interests of the Company and its shareholders and is consistent with BPG's growth strategy. The retention of experienced and skilled employees is strategically and operationally important to the Company, as it is tied with the retention of operational knowledge, technology capabilities, key partner and customer relationships and industry expertise, as well as providing the company with the resources for the development of the Pearl Engine and new software features or applications of BPG's products.

#### Dilutive Effects

Should Resolution 6 be approved by Shareholders and assuming 100% of the RSUs are vested and converted to Shares on a one-for-one basis, BPG will issue up to 2,056,518 new Shares in BPG to the Key Personnel over a period of time. Accordingly, BPG's total Shares on issue will be (assuming that no further Shares will be issued prior to the RSUs exercising and without reference to any other Shares that may be issued pursuant to the Equity Conversion Agreement contemplated by Resolution 5):

	Pre-RSU Plan Issue	Post-RSU Plan Issue and Conversion
<b>Number of Shares to be issued on conversion of 100% of RSUs issued under the RSU Plan</b>	0	2,056,518 Shares
<b>Total Shares on Issue</b>	41,130,377 Shares	43,186,895 Shares
<b>Example shareholding percentage</b>	5% (2,056,518 shares)	4.762%

### NZX Listing Rule Requirements

Shareholder approval for Resolution 6 is required under Rule 4.2.1.

Under Rule 4.2.1, BPG must, with exception to certain circumstances listed under Rule 4.1.2, only issue equity securities with approval by ordinary resolution, and complete the share issuance within 36 months of obtaining shareholder approval.

As BPG proposes to issue up to 5% of its financial products on issue (as at the date of this Notice), BPG must seek shareholder approval.

### Implications of Resolution 6 not proceeding

Rule 4.6.1 allows for Issuers to issue equity securities of up to 3% of its financial products on issue to its employees or a trustee to hold for the benefit of employees, without shareholder approval.

Should Resolution 6 not be passed, BPG will be limited to issuing up to the 3% capacity under Rule 4.6.1, being up to 1,233,911 RSUs.

### Dilutive Effects for Resolutions 5 and 6

Should Resolutions 5 and 6 be approved by shareholders, BPG will issue a total of 5,896,624 new Shares (being 3,840,106 new Shares to Crown BP Holdings, LLC and up to 2,056,518 new Shares assuming 100% of RSUs issued under the RSU Plan convert). BPG's total Shares on issue will be increased accordingly:

	Pre-Conversion	Post-Conversion
<b>Total Shares on Issue should Resolutions 5 and 6 be approved</b>	41,130,377	47,027,001
<b>Example shareholding percentage</b>	5% (2,056,518 shares)	4.373%

Blackpearl Group - **Notice Of Annual Meeting**

