

● BLACKPEARL GROUP

Quarterly Investor Update

QUARTER FOUR REPORT FOR THE THREE-MONTH
PERIOD TO 31 MARCH 2025

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WELCOME TO SHAREHOLDERS

Foreword from the CEO



Dear Shareholders,

What a quarter!

The numbers speak for themselves. BPG achieved a 13% increase in ARR over the quarter in what is effectively a 2.5-month period (due to normal seasonal delays at the start of January), and while global economies went to hell in a handbag.

Central to this growth has been the continued performance of Pearl Diver, our primary revenue driver. Last quarter, we made the strategic decision to phase out of lower-tier, higher-cost customers – allowing us to focus on higher-value accounts. Since then, we’ve continued to grow ARR while also returning churn to a more stable and sustainable rate.

I’m equally pleased to report the beta launch of Bebop was a resounding success – demonstrating our ability to execute on innovation while scaling proven products.

The importance of this should not be underemphasised. The ability to build, acquire, and evolve multiple products off a singular technology platform is a pillar of BPG’s value proposition. We can take advantage of growth opportunities in real time and increase revenue expansion in our primary market (SME businesses in the USA) from multiple vectors.

While Pearl Diver is focused on growing revenue for marketing managers, Bebop is focused on revenue generation for entrepreneurs and salespeople.

Bebop has achieved a high degree of product–market fit right out of the gate. In fact, in over two decades of taking innovative technology to market, I’ve never seen such positive feedback at beta. As one customer said: “Bebop is revolutionary – any business selling B2B should have this immediately.”

Some of you may have seen my comments in the NBR about going for the throats of Silicon Valley ‘fat cats’. Bebop represents true agentic AI – and with that comes the potential to disrupt markets at speed. As interest in what we’re building grows, the Board is proactively exploring a dual listing on the ASX to broaden our investor base, increase visibility, and ensure we’re positioned to capture the full value of what lies ahead.

It’s going to be an epic FY26.

Ad Astra.

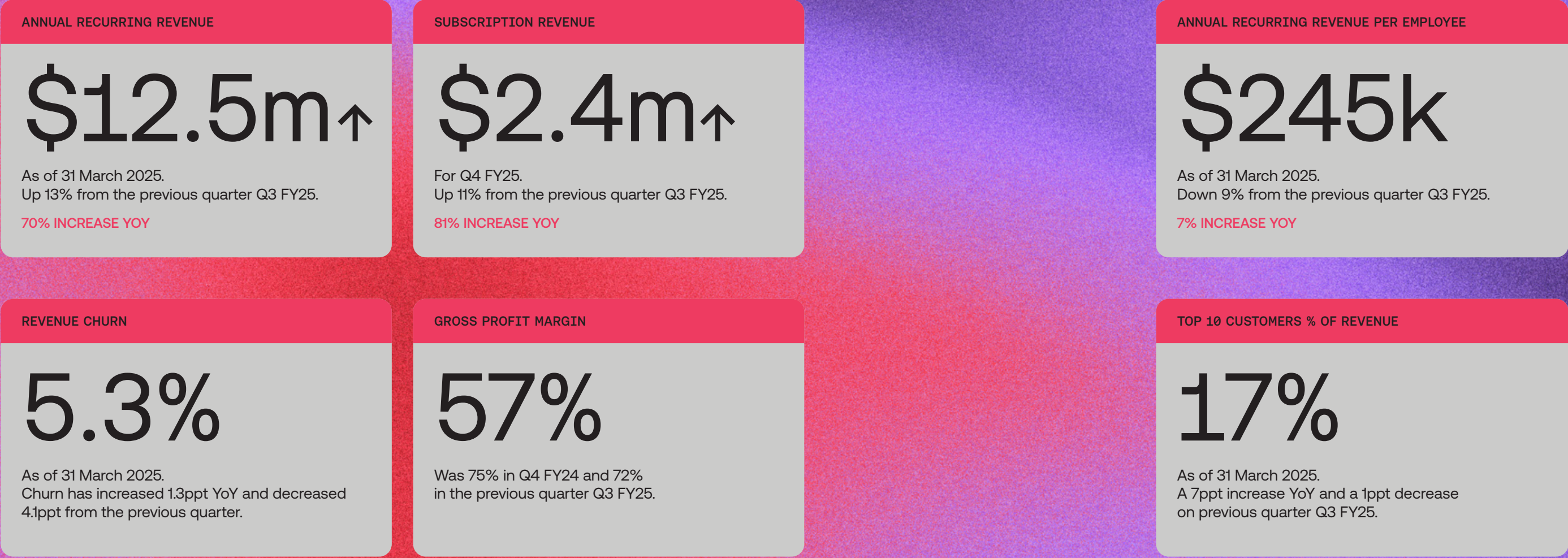
KIND REGARDS,
NICK LISSETTE
CEO, BLACKPEARL GROUP

Highlights

- NOTE:
- COMPARATIVE FIGURES RELATE TO Q4 FY25 UNLESS OTHERWISE STATED
 - FIGURES ARE IN NZD\$ UNLESS OTHERWISE STATED
 - PPT STANDS FOR PERCENTAGE POINTS

● 1 JAN 2025

● 31 MAR 2025



DELIVERING ON OUR STRATEGY

KAREN CARGILL,
CFO (INTERIM) & CGO



CFO Commentary

ANNUAL RECURRING REVENUE (ARR)

\$12.5m ↑

ARR reached \$12.5 million in Q4 FY25, up from \$11.1 million in Q3 FY25 – a 70% year-over-year increase. Momentum remains strong, driven by ongoing customer acquisition through Pearl Diver. While early signs from Bebop’s beta launch are encouraging, Pearl Diver remains the primary contributor to ARR growth this quarter.

GROSS PROFIT MARGIN

57%

Gross margin declined to 57% in Q4 FY25, down from 72% in Q3 FY25. This reflects a temporary cost increase during the crossover to our new fixed-fee data supply agreement. While we are currently incurring costs under both the legacy and new agreements, the new structure is more scalable and cost-effective. As ARR grows and the legacy contract phases out, we expect margins to improve.

ANNUAL RECURRING REVENUE PER EMPLOYEE

\$245k

ARR per employee was \$245k at the end of Q4 FY25, down from \$271k in Q3 FY25. This reflects a planned investment in strategic hires, with headcount increasing from 41 to 51. Key additions include a dedicated AI team, a VP of Product, and roles across data, revenue operations, and customer experience – all designed to accelerate product development and support scalable growth. While this has temporarily impacted productivity per head, these hires are foundational to our long-term strategy, particularly in building out our AI capability and future-ready operating model.

SUBSCRIPTION REVENUE

\$2.4m ↑

Subscription revenue grew to \$2.4 million in Q4 FY25, up from \$2.1 million in Q3 FY25 - reflecting strong progress throughout the year. This steady increase aligns with our ARR growth, confirming the strength of our recurring revenue model. While there is a natural lag between ARR and recognised revenue, the consistent uplift in both metrics signals strong underlying business momentum.

REVENUE CHURN

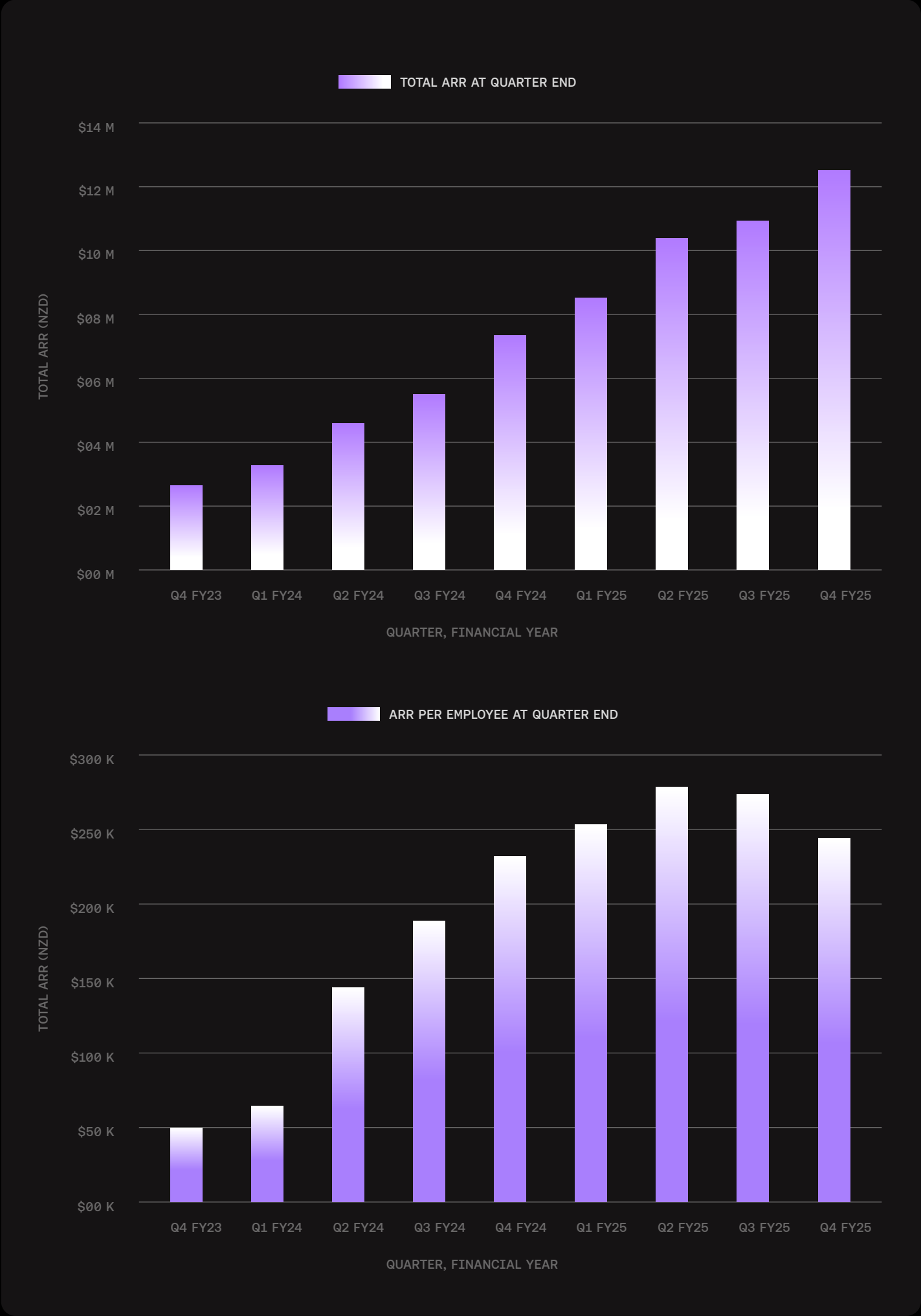
5.3%

Revenue churn reduced to 5.3% in Q4 FY25, down from 9.4% in Q3 FY25. This improvement reflects the success of our deliberate strategy last quarter to phase out lower-tier, higher-cost customers who were not aligned with our Ideal Customer Profile (ICP). By focusing resources on higher-value accounts with stronger retention characteristics, we’ve returned churn to a more sustainable level and sharpened our long-term revenue quality.

TOP 10 CUSTOMERS: % OF REVENUE

17%

Our top 10 customers accounted for 17% of revenue in Q4 FY25. This reflects stronger engagement with high-value accounts and aligns with our strategy to deepen relationships with customers who see long-term value in our products.



DELIVERING ON OUR STRATEGY

Future Outlook

The opportunity ahead is significant. With the launch of Bebop, we’re expanding our reach within the SME market, targeting new decision-makers and unlocking additional revenue streams. This product builds on our platform strategy, allowing us to serve our market from multiple angles while strengthening our position in AI-driven sales and marketing.

We know what needs to be done. Our track record shows we can move quickly and execute effectively. We’re confident this next phase will unlock even greater value for shareholders.

To provide deeper insight into our strategy, market opportunity, and growth ambitions, we’re preparing to host an Investor Day later this year.

Additionally, Blackpearl Group is actively exploring a dual listing on the ASX. This move would broaden our shareholder base, increase liquidity, and open greater opportunities to raise capital as we scale.

With momentum building across our business, we’re ready to lead in this next chapter.

● Driving Toward \$20 Million ARR & Beyond

As CEO Nick Lissette states, “Our focus is now on reaching \$20 million ARR while building a platform to scale to \$100 million and beyond. This is the fastest, most efficient path to long-term success.

Blackpearl Group is well on track to achieve its goals, ensuring long-term shareholder value while solidifying its position as a leader in AI-driven sales and marketing solutions.

Thank You ————— Ad Astra

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

Specifically engineered for small-medium-sized businesses (SMEs), Blackpearl Group consistently delivers exceptional value to its customers. Our mantra is simple: 'Creating Motivating Opportunities.'

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

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

blackpearl.com