



30 May 2024

Blackpearl reports 177% increase in ARR for FY24

Black Pearl Group Limited (NZX:BPG) is pleased to announce its unaudited preliminary results for the year ended 31 March 2024 ("FY24"), reporting a 177% increase in Annual Recurring Revenue (ARR) to \$7.4m, now on the cusp of reaching the \$10m ARR target.

The strong result is a testament to Pearl Diver, our flagship product which has accelerated revenue growth, improved Gross Margins and drive us towards the potential for cash profitability.

Key Financial Highlights

- Subscription Revenue: \$4.1m, marking a 183% year-on-year increase.
- Group ARR: Reached \$7.4m reflecting a 177% year-on-year increase.
- Pearl Diver Product ARR: \$4.9m only 13 months after launch.
- ARR Per Employee: Recorded at \$230k exhibiting a 359% year-on-year increase.
- Gross Profit Margin: Increased to 71% for FY24 from 49% in FY23.
- Expenses: Increased 21% year-on-year, however declined as a percentage of revenue to 130% in FY24 from 297% in FY23.
- Cash Burn 3 month Average: Ended the year at \$340k, a 42% decrease from its peak during the year.
- Revenue Churn: 4.0% as of March 31, 2024.

Summary

FY24 reflects our strategic investments and disciplined execution significantly advancing BPG's growth and profitability.

Pearl Diver, our flagship product, has fundamentally transformed our revenue composition, becoming the largest contributor to our Annual Recurring Revenue (ARR). Within just one year, Pearl Diver's ARR grew from \$54k to \$4.9m, now representing 67%



of our total ARR. This rapid growth underscores the effectiveness of our go-to-market strategy and our commitment to serving the SME market in the USA and will drive us towards our short-term target of \$10m in ARR.

Our gross margin increased substantially, rising to 71% in FY24 from 49% in FY23, driven by the scalability of our platform and the higher margin of the Pearl Diver product. While expenses have grown to support our expansion, it's noteworthy that expenses as a percentage of ARR have decreased to 126% in FY24 from 297% in FY23.

Over FY24 we have reduced our 3 month average cash burn to \$340k from \$569k at its peak. Our approach to managing cashflows was characterised by balancing a drive to recurring cash profitability, while maintaining aggressive growth.

Karen Cargill - Chief Financial Officer, Blackpearl, commented:

"We have laid the groundwork for our next phase of growth. Key achievements include: the successful scaling of our infrastructure, the establishment of Pearl Diver's market presence, and the enhancement of our platform's capabilities to meet growing demand.

As we approach cash profitability and \$10m of ARR, we also have a number of exciting opportunities to scale further. Blackpearl's strategy continues to evolve to reflect the success of the business over the last 18 months. Over the coming months, management looks forward to update on its strategic plan for the next phase of growth.

It is an exciting time for the company."

Please also refer to our Blackpearl Group FY24 Financial Commentary & Unaudited Financial Statements for the detailed results.



Unaudited Financial Results Summary

The FY24 financial statements of Blackpearl Group are still being audited, but Blackpearl Group is not aware of any likely qualifications. The Company is not proposing to pay any dividends for the year ended 31 March 2024.

The company's Audited Financial results and Annual Report will be released to the market in late June 2024.

Contact

Released for and on behalf of BPG,
Karen Cargill
Chief Financial Officer

For further information, please contact:

Karen.cargill@blackpearl.com | [+64 21 135 5183](tel:+64211355183)

About Blackpearl Group

Blackpearl Group (BPG) is a market-leading data technology company pioneering 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, BPG is based in Wellington, New Zealand, and Phoenix, Arizona.

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