

Blackpearl Group - **FY24 Annual Report**

# Preliminary Full Year Results

Financial Year End 31 March 2024

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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



# Message from the CFO

Reflecting on FY24, our strategic investments and disciplined execution has meaningfully advanced BPG's growth and profitability.

Pearl Diver, our flagship product, has evolved our revenue composition, becoming the largest contributor to our Annual Recurring Revenue (ARR). Over the financial 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.

Our gross margin increased to 71% from 49% in FY23, driven by the scalability of our platform and Pearl Diver's high-margin profile. While expenses have grown to support our expansion, expenses as a percentage of ARR have decreased to 130% in FY24 from 297% in FY23.

We have managed our cashflows effectively, balancing our path to recurring cash profitability with our focus on aggressive growth.

We have also 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.

It is an exciting time for the company.

Karen Cargill | CFO



How we performed

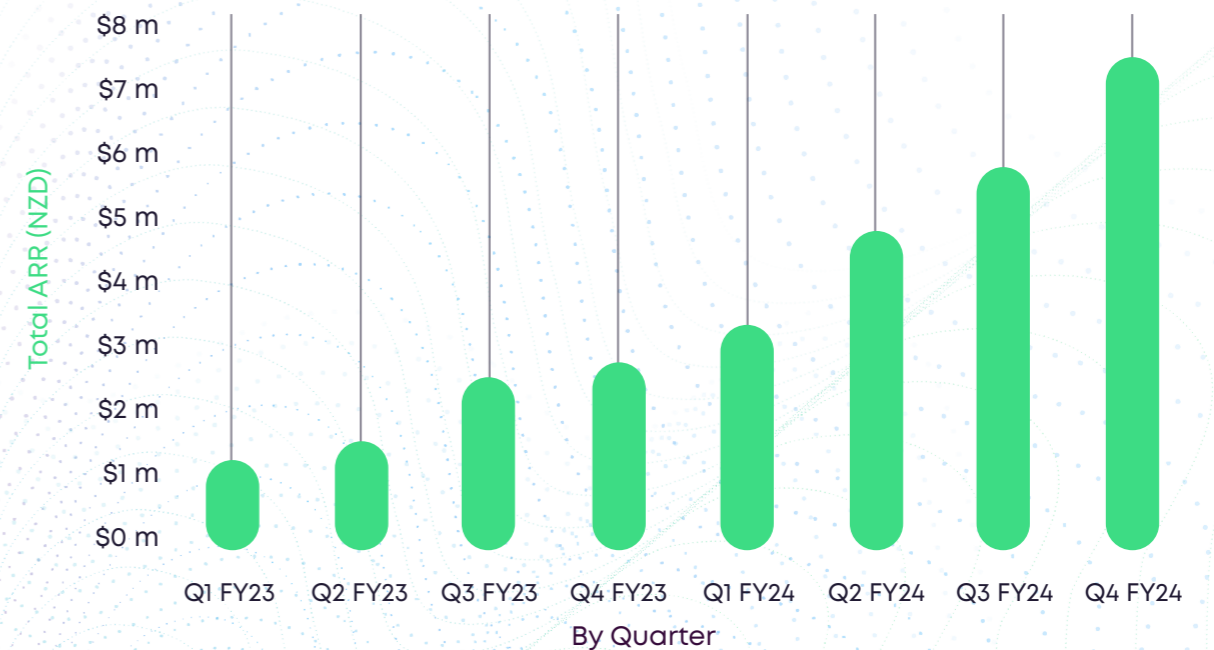
# How we performed

## ARR Growth

# 177%

ARR increased by 177% to \$7.4m during FY24, progressing towards our next milestone of \$10m in ARR.

Total ARR at Quarter End



In FY24, Black Pearl Group Limited ("BPG" or "Blackpearl Group") achieved consistent revenue growth, marked by a 177% increase in Annual Recurring Revenue (ARR), reaching \$7.4m.

The driving force behind this growth is our flagship product, Pearl Diver, which now accounts for 67% of our ARR. The success of Pearl Diver underscores the strength of our investment in our proprietary technology. This investment has allowed us to rapidly ingest unique data sets and develop innovative AI-driven solutions that resonate with our target market.

Our revenue model's compounding nature supports continuous growth into FY25. BPG's applications use a monthly recurring billing model, generating

regular and predictable revenue. Each new subscriber adds to the overall revenue, creating continuous, compounding growth beyond one-time purchases.

The rapid success of Pearl Diver is the result of our preparation and investment converging with market forces. It has never been more challenging for a SME business to acquire new customers in the digital world. BPG's ability to rapidly create and deliver leading AI-driven sales and marketing services that help 'our customers find more customers' has been key to the company's success.

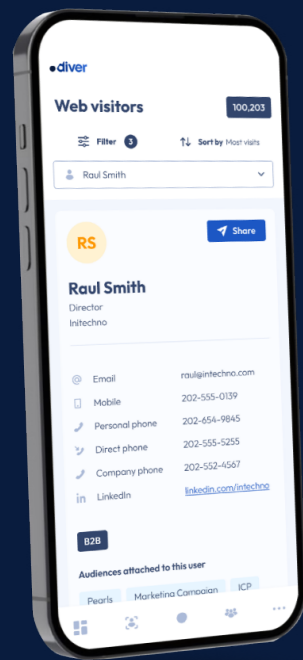
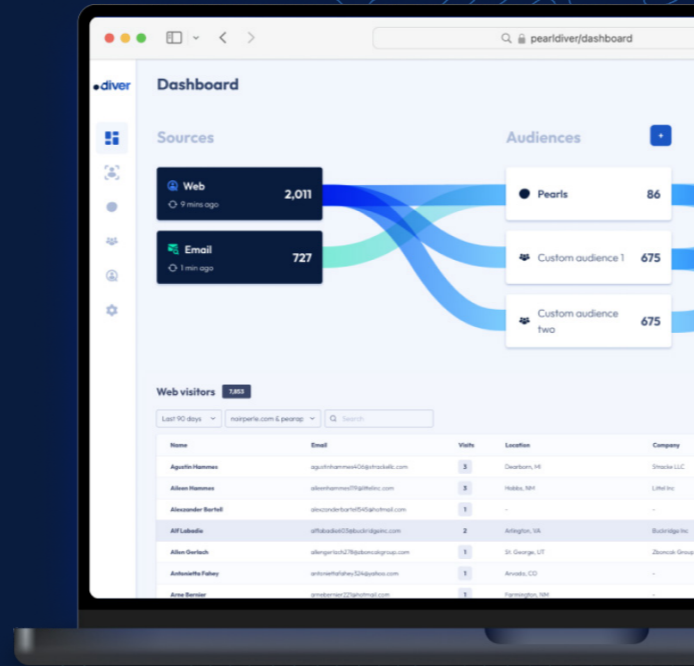
As we look ahead, we are confident that our strategic investment and innovative approach will continue to drive substantial growth and bring us closer to our long-term revenue goals.



Product spotlight

# Power your business growth with Pearl Diver

In an era where data is the cornerstone of business strategy, Pearl Diver stands at the forefront as the industry-leading prospect identification platform. Over the past year, we have witnessed Pearl Diver revolutionise the way businesses understand and engage with their digital audiences.



## Powerful features to help our customers accelerate revenue growth

- Industry leading prospect identification platform
- 70+ Data points per identified visitor
- Visitor Journey Mapping
- Audience Builder for targeting high-value lead
- CCPA & GDPR Compliant
- Trusted 1st Party Data provider with 99.99% uptime
- Enterprise grade API and integrations
- Award winning customer support



## Impact of Pearl Diver

# 13mo

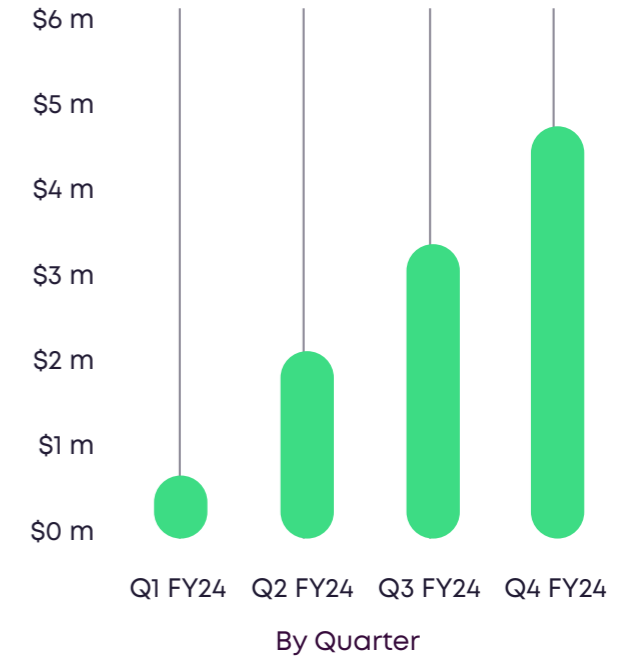
13 months since launch to reach \$4.9m Pearl Diver ARR

Pearl Diver reshaped our revenue composition, emerging as the largest contributor to BPG's ARR, now representing 67% of our total ARR. From its humble beginnings with just \$54k in ARR at the close of FY23, Pearl Diver's rapid growth to \$4.9m in ARR is notable.

Developed and brought to market in just 45 days after gaining access to a new web-based dataset, Pearl Diver secured its first \$1m in ARR within a 90-day period. These short-cycle timeframes were made possible by our strategic R&D investment in previous years. BPG has successfully implemented this go-to-market strategy twice, positioning us to replicate this methodology for future product builds and acquisitions.

As we transition into FY25, Pearl Diver will remain the primary driver of growth, serving as a launch pad for new products in directly adjacent markets.

Total Pearl Diver ARR Quarter End



## Attractive Gross Margin

# 71%

Gross margin has increased to 71% for FY24 from 49% for FY23

Our gross margin improved to 71% from 49% in FY23. The scalability and platform efficiency highlighted in our interim report have played a pivotal role in this achievement. Our gross margin expansion is the result of growing revenue coupled with our ability to affordably scale infrastructure efficiently. A gross margin of 71% is considered a positive metric for SaaS products, especially given that Pearl Diver has only been in the market for 13 months.

As demand for Pearl Diver increases, BPG will need to increase investment in data processing infrastructure. As we scale our storage and processing capacity over the coming months, we anticipate a temporary compression in gross margin in the near future. However, this strategic decision allows us to position ourselves for the next level of growth, thus ensuring long-term sustainability, profitability, and shareholder value.

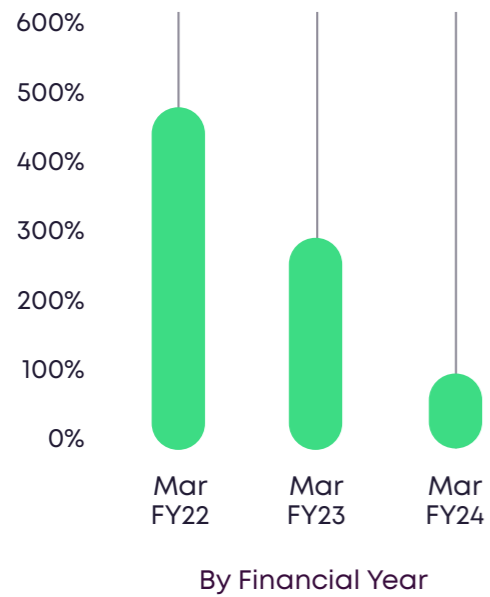


## Improved efficiency

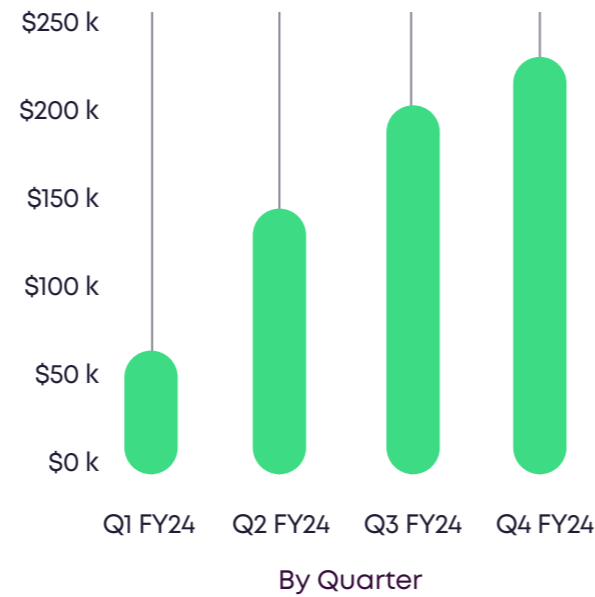
# \$230k

Annual Recurring Revenue Per Employee  
As of 31 March 2024  
359% increase YoY

Total expenses as % of ARR



Average Revenue (ARR) per Employee



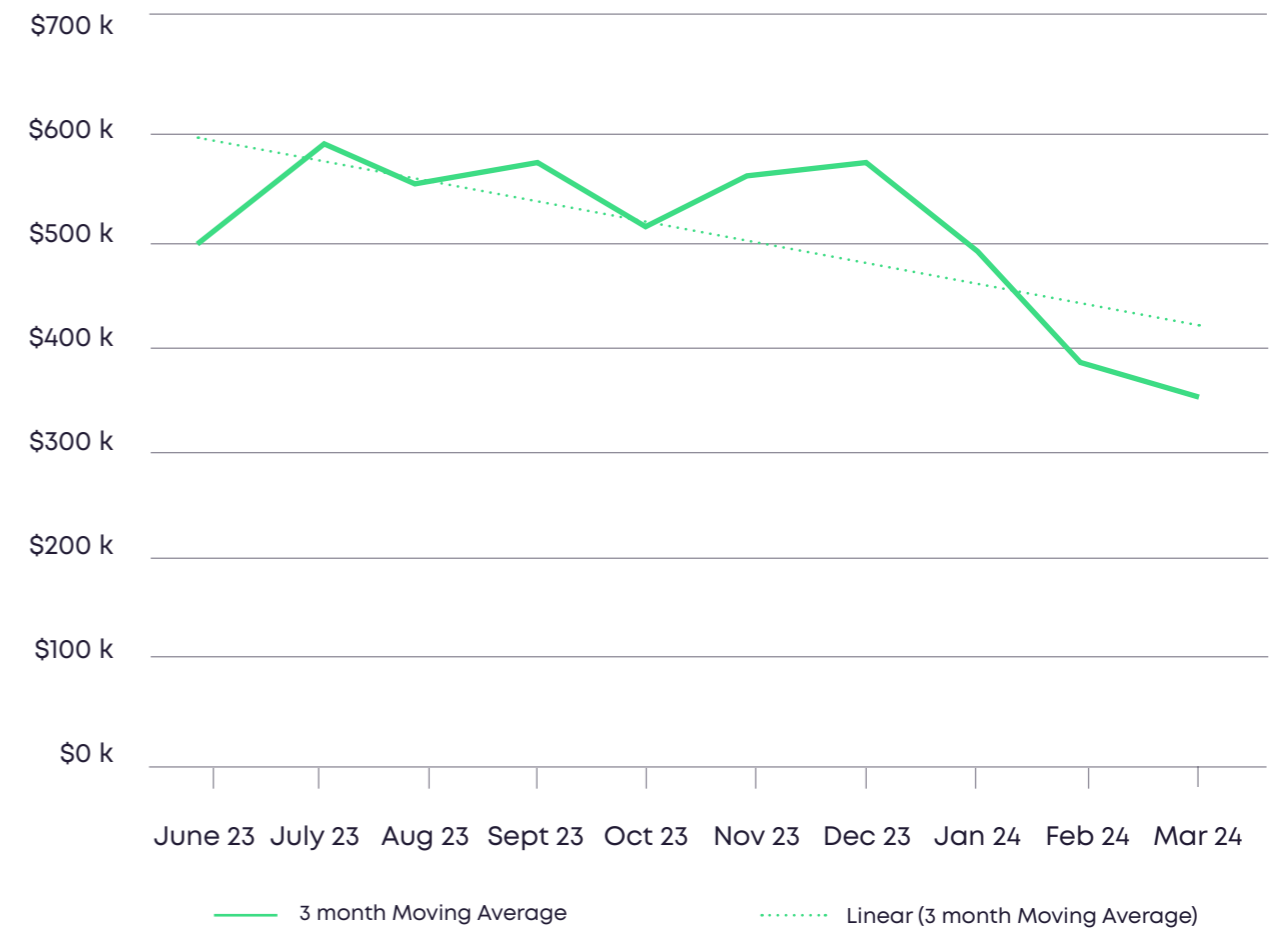
Personnel, operating, and administrative expenses have grown 21% year-over-year, driven by our scaling efforts, including increased use of offshore resources and increased spend on marketing.

While expenses have grown to support our expansion, it's noteworthy that expenses as a percentage of ARR have decreased to 130% in FY24 from 297% in FY23. This indicates that despite our growth, we have maintained good control over our expenses relative to revenue.

It's important to highlight that even as we grow aggressively, we remain mindful of our expense management. This approach has enabled us to track towards cash profitability while maintaining a balance between growth and financial sustainability.

## Cashflows

Cash Burn Rate 3 Month Moving Average



Over FY24 we have reduced our 3 month moving average cash burn to \$340k from \$588k at its peak. Our approach to managing cashflows was characterised by balancing a drive to recurring cash profitability while maintaining aggressive growth.

BPG is now on the cusp of monthly recurring cash profitability and \$10m of ARR. The significance of these milestones validate our business model, revenue acquisition strategy, and market fit.

As we approach cash profitability and \$10m of ARR, we also have a number of exciting opportunities to further accelerate growth. Over the coming months, we look forward to updating the market on our strategic plan for the next phase of growth.

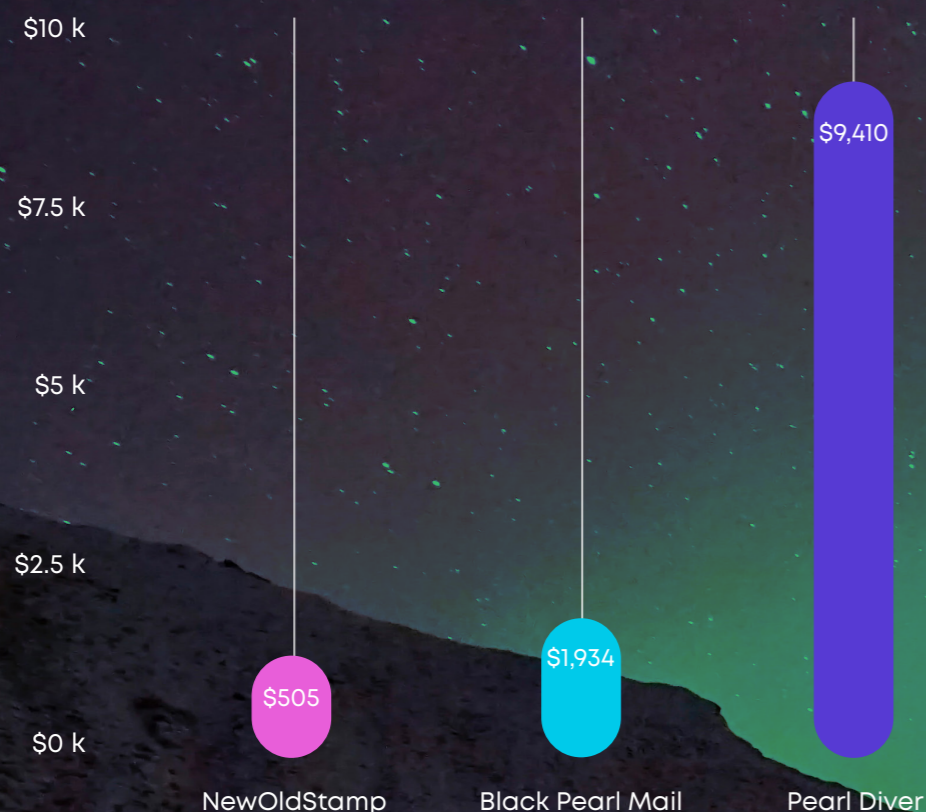


## Customer and Market Analysis

With revenue churn standing at 4.0% as of March 31, 2024, our customer base is diversified, with no single large accounts dominating our revenue stream. This diversification mitigates risk and underscores the strength of our customer relationships across various sectors and industries.

Pearl Diver has a much higher price point than our original products, as shown in the chart below. This affords it a superior gross margin and lifetime value per customer, which also allows for more efficient return on marketing.

Average ARR per Customer (NZD)



## Market focus

In our journey towards growth and market leadership, understanding our customers and the dynamics of our target market is paramount.

Our focus remains firmly on catering to the needs of Small and Medium Enterprises (SMEs) within the US market, a segment comprising of approximately 26.5m businesses according to Census.gov. This segment presents a compelling opportunity as these businesses often struggle with cost-effectiveness and ROI from traditional digital advertising methods. Here lies our niche – providing solutions that enable businesses to transition from relying on 3rd Party to harnessing the power of 1st Party data.

With a total addressable market (TAM) of 5.5m SME businesses in the USA, the potential for growth and expansion is substantial.

Our customer base is a testament to the market demand of our offerings. Pearl Diver, our flagship product, has emerged as a game-changer in the SME market, revolutionising how businesses access their own data, and crucially, turn that data into dollars. Its competitive edge is evident in the positive reviews and ratings across platforms like Google and G2, affirming its impact and value to our customers.

Despite our achievements, we recognise that there is still ample market opportunity waiting to be tapped. With Pearl Diver at the forefront, we are democratising data access and empowering SMEs to make informed decisions based on actionable insights. As we continue to innovate and expand our product portfolio, our goal is clear – to capture a significant share of the SME market and drive sustainable growth.



## Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2024

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

## Consolidated Statement of Other Comprehensive Income

As at 31 March 2024

	At 31 March 2024	At 31 March 2023
	Unaudited	Audited
	\$	\$
<b>Loss for the year</b>	<b>(5,401,798)</b>	<b>(6,900,648)</b>
<i>Other comprehensive income that may be subsequently reclassified through profit or loss</i>		
Exchange differences on translation of foreign operations	(73,532)	(103,725)
<b>Total comprehensive loss for the year attributable to owners of the parent</b>	<b>(5,475,330)</b>	<b>(7,004,373)</b>



## Consolidated Statement of Financial Position

As at 31 March 2024

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

## Consolidated Statement of Financial Position

As at 31 March 2024

	At 31 March 2024	At 31 March 2023
	Unaudited	Audited
	\$	\$
<b>Equity</b>		
Share capital	37,493,169	28,545,173
Accumulated losses	(34,214,187)	(29,796,748)
Share based payment reserve	1,082,889	2,687,853
Shareholder warrants reserve	478,394	515,511
Foreign currency translation reserve	30,902	104,434
<b>Equity attributable to the owners</b>	<b>4,871,167</b>	<b>2,056,223</b>
<b>Total liabilities and equity</b>	<b>6,727,797</b>	<b>6,688,503</b>



## Consolidated Statement of Changes in Equity

For the year ended 31 March 2024

	Share capital	Accumulated losses	Share based payment reserve	Share warrants reserve	Foreign currency translation reserve	Total
	\$	\$	\$	\$	\$	\$
<b>Balance at 31 March 2023</b>	<b>28,545,173</b>	<b>(29,796,748)</b>	<b>2,687,853</b>	<b>515,511</b>	<b>104,434</b>	<b>2,056,223</b>
Loss for the year	-	(5,401,798)	-	-	-	(5,401,798)
Translation differences of foreign operations	-	-	-	-	(73,532)	(73,532)
<i>Transactions with owners in their capacity as owners</i>						
Issue of share capital	6,160,149	-	(754,049)	-	-	5,406,100
Shares issued on conversion of loan	1,800,736	-	-	-	-	1,800,736
Share based payments	994,049	-	133,445	-	-	1,127,494
Equity classified contingent consideration	-	984,360	(984,360)	-	-	-
Transaction costs arising on share issue	(44,055)	-	-	-	-	(44,055)
Share warrants issue	37,117	-	-	(37,117)	-	-
<b>Balance at 31 March 2024</b>	<b>37,493,169</b>	<b>(34,214,187)</b>	<b>1,082,889</b>	<b>478,394</b>	<b>30,902</b>	<b>4,871,167</b>
<b>Balance at 31 March 2022</b>	<b>22,012,727</b>	<b>(22,672,146)</b>	<b>1,419,248</b>	<b>-</b>	<b>208,159</b>	<b>967,988</b>
Loss for the year	-	(6,900,648)	-	-	-	(6,900,648)
Translation differences of foreign operations	-	-	-	-	(103,725)	(103,725)
<i>Transactions with owners in their capacity as owners</i>						
Issue of share capital	6,082,758	-	(608,545)	-	-	5,474,213
Distribution to owners to extinguish pre-dividend loan	223,954	(223,954)	-	-	-	-
Share based payments	608,545	-	759,056	-	-	1,367,601
Equity classified contingent consideration	-	-	1,118,094	-	-	1,118,094
Transaction costs arising on share issue	(382,811)	-	-	-	-	(382,811)
Share warrants issue	-	-	-	515,511	-	515,511
<b>Balance at 31 March 2023</b>	<b>28,545,173</b>	<b>(29,796,748)</b>	<b>2,687,853</b>	<b>515,511</b>	<b>104,434</b>	<b>2,056,223</b>

## Consolidated Statement of Cash Flows

For the year ended 31 March 2024

	Notes	2024	2023
		\$	\$
<b>Cash flows from operating activities</b>			
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)	-
<b>Net cash used in operating activities</b>	<b>32</b>	<b>(5,425,035)</b>	<b>(5,207,793)</b>
<b>Cash flows from investing activities</b>			
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
<b>Net cash used in investing activities</b>		<b>(344,996)</b>	<b>(977,772)</b>
<b>Cash flows from financing activities</b>			
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
<b>Net cash from financing activities</b>	<b>32</b>	<b>6,007,459</b>	<b>7,095,018</b>



	Notes	2024	2023
		\$	\$
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>237,428</b>	<b>909,453</b>
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)
<b>Cash and cash equivalents at year end</b>	<b>12</b>	<b>1,854,458</b>	<b>1,759,268</b>

### 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.

[Blackpearl.com](https://blackpearl.com)



**blackpearl**