

29 November 2023

## Black Pearl Group Limited FY2024 Interim Results Announcement

**ARR Soaring by 221% and Gross Profit Up 284%: Blackpearl Groups' Record-Breaking 2023**

### Introduction

Blackpearl Group (BPG) today announced financial results for the six months to 30 September 2023, showcasing significant growth driven by strategic initiatives and technological advancements.

### Key Highlights

- **Subscription Revenue:** Achieved a 163% increase year-on-year reaching \$1.5 million as at 30 September 2023.
- **Annual Recurring Revenue (ARR):** Achieved a 221% increase year-on-year, reaching \$4.6 million as of 30 September 2023.
- **Gross Profit:** Grew by 284% year-over-year, reflecting our operational efficiencies and strategic investments.
- Gross profit margin increased from 46% to 67% year-on-year
- \$3 million of liability removed from the balance sheet in the 6 months since 31 March 2023
- **Revenue Per Employee:** Demonstrated a significant increase of 187%, highlighting our team's productivity and effectiveness.
- **Total Expenses:** Increased by \$1.3 million from the 6 month period to 30 September 2022, primarily due to growth-related activities including the Newoldstamp acquisition, NZX Listing, and revenue growth related costs.

BPG's Chief Executive Nick Lissette commented on the results, saying: "Over the past half-year, Blackpearl Group has balanced exponential growth with a drive towards consistent and recurring profitability. Our \$25 million investment in core technology serves as a catalyst that bridges this gap, enabling us to thrive. The rapid success of pearldiver.io, achieving over \$1 million in ARR within 5 months of its launch, exemplifies our strategic focus and capability."

## Financial Update

Blackpearl Group's fiscal performance has been notable, with subscription revenue reaching \$1.5 million – a 163% increase year-on-year and ARR soaring to \$4.6 million — a 221% year-on-year increase. Our gross profit reached over \$1 million, reflecting a 284% increase. These achievements demonstrate the efficiency of our business model and our strategic focus. The increase in expenses by \$1.3 million reflects investments in market development and technology. Our strategic financial management has set us on a path towards sustained profitability and market leadership.

## Strategic Achievements

In the past financial half-year, BPG has realized remarkable progress in key strategic domains, notably in financial growth, market penetration, and innovation:

- **Financial Growth:** We've seen an extraordinary increase in subscription revenue, up by 163%, with Annual Recurring Revenue (ARR) soaring by 221%. Our gross profit surged by 284%, reflecting substantial operational efficiencies.
- **Market Penetration:** Our targeted strategy in the US SME sector has solidified our position, with a diversified portfolio of over 3,800 clients contributing to our stability and a remarkable low revenue churn rate of 3.3%.
- **Innovation and Expansion:** The strategic acquisition of Newoldstamp and listing on NZX, along with a \$1.3 million investment in operational growth, have been cornerstones of our expansion strategy, strengthening our market presence and resource base.

## Technological Advancements and Product Innovation:

BPG's relentless commitment to innovation over the last decade is exemplified by our strategic advancements:

- **Pearl Engine Development:** With an investment exceeding \$25 million, our proprietary Pearl Engine has become the cornerstone of our product offerings, enabling us to fortify our market position through advanced technology.
- **Product Excellence and Operational Efficiency:** The Pearl Engine has revolutionized our product suite, ensuring each product is robust and scalable while facilitating cost-effective integration. This has resulted in enhanced service capabilities, improved profit margins, and reinforced our operational excellence.
- **Innovation and Competitive Edge:** The Pearl Engine serves as a dynamic data and AI hub, driving our platform's efficiency and establishing the bedrock for BPG's continuous growth, innovation, and a sharpened competitive edge.

- **Diversification of Offerings:** Leveraging the power of the Pearl Engine, we have significantly expanded our product suite, enhancing our ability to address evolving market needs with innovative and next-generation solutions.

## **Future Outlook**

Looking forward, Blackpearl Group (BPG) continues to navigate a path of robust growth and assured profitability. Our focus remains firmly on the strategic pillars of innovation, market expansion, and customer-centric product development. This approach has not only solidified our position but also set the stage for significant expansions and new ventures.

Our investment in core technologies, particularly the Pearl Engine, is a cornerstone of our strategy. This technology has been instrumental in bridging the often challenging divide between growth and profitability, as evidenced by the swift success of pearldiver.io. From production initiation in March 2023 to market delivery in April 2023, the product achieved its first \$1 million in annual recurring revenue (ARR) in July 2023. This is a testament to our effective use of data and innovation.

As we continue to strengthen our presence in the US SME sector, we are well-prepared to leverage our diverse customer base for further growth. Our business model, which enables multiple avenues for profitability, is designed not just for modest results but for significant achievements.

The year ahead promises to be one of strategic scaling, where we aim to amplify our reach while upholding the financial discipline that has been a hallmark of our journey. With a clear vision and a proven strategy, Blackpearl Group is set to not just meet but exceed expectations, as we continue to chart our course towards a future marked by exceptional growth and profitability.

## **Other Notable Achievements**

- Achieved \$5 million ARR as of 31 October 2023.
- Raised \$3.8 million post-30th September 2023 from placements to wholesale investors and a Share Purchase Plan to retail investors.

For and on behalf of the board,

## **Karen Cargill**

Chief Financial Officer

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## **About Blackpearl Group**

Blackpearl Group is a data technology company, relentlessly focused on unlocking the potential of data for small and medium-sized businesses.

It builds, acquires, and markets cutting-edge, cloud-based services that empower businesses to make data-driven decisions, drive productivity, and generate demand.

Its suite of tools and applications are designed to help businesses of all sizes manage their data, facilitating better decisions and unlocking new revenue opportunities.

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

[Blackpearlgroup.com](http://Blackpearlgroup.com)