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Q1 FY27 Trading Update

Blackpearl Group (NZX/ASX:BPG) today provides its trading update for the first quarter of FY27 (the three months ended 30 June 2026). Blackpearl now reports against three key measures: growth (ARR), EBITDAF forecasting and technology advantage measurement, the latter two introduced this quarter alongside the Group's established metrics.

Q1 FY27 at a glance

New Reporting measures

- Growth (ARR): $27.2m, up 95% YoY and 2% QoQ, modest sequential growth by design to support revenue quality optimisation
- EBITDAF: The Group expects EBITDAF losses to reduce from ($4.5 million) in Q1 FY27 to ($2.5–3) million in Q2 FY27 and further to ($1–1.5) million in Q3 FY27
- Technology advantage (GTM-Bench): The Pearl Engine generated x26 greater buyer/sell matches via data intelligence than foundational models

Established metrics (reported in parallel)

- ARR per employee: $461,524, up 75% YoY and 33% QoQ
- Revenue churn: SaaS 5.2%, up 0.2ppt YoY; one DaaS customer churned during the quarter
- CAC payback: 6.27 months, up 54% YoY, a deliberate trade for lower-churn, higher-value customers; normalising toward ~3.5 months.

Q1 Commentary

Consistent with its strategy, Q1 delivered the planned rebalancing from top-line growth toward bottom-line performance, improving the Group's EBITDAF trajectory and sharpening its technology-advantage story.

The Group also launched its Platform as a Service (PaaS) offering in beta, significantly ahead of schedule. This both unlocks new revenue opportunities and helps optimise the Group's operational structure.

EBITDAF Forecast

A key focus has been aggressively reducing EBITDAF losses and building a clear path to profitability, without stifling the Group's revenue objectives or technological innovation. Accordingly, the Group expects EBITDAF losses to narrow across the year.

For Q2 and Q3 FY27 (year ending 31 March 2027), Blackpearl provides the following EBITDAF guidance:

- Q1 FY27 (actual): loss of $4.5m
- Q2 FY27: loss of $2.5m to $3m
- Q3 FY27: loss of $1m to $1.5m

This improvement is underpinned by actions already in motion including:

- Flow-through of ramped ARR
- Permanent cost reductions from the B2B Rocket integration
- Streamlining of marketing spend and funnels
- DIY / self-service via B2B Rocket and Bebop for SaaS customers
- Optimisation of infrastructure costs
- AI automation across general business operations

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Technology advantage

Blackpearl's technology advantage is measured through GTM-Bench, a public benchmark of how effectively AI systems match buyer demand to seller propositions in real time. On current published results, Blackpearl's purpose-built system scores 26x greater than the leading foundational model operating without proprietary data, and 6.6 times the leading foundational model with proprietary data access. The task set, methodology and leaderboard are public, and Blackpearl is committed to updating GTM-Bench quarterly to clearly communicate the Group's technology advantage.

ARR Growth

While ARR of $27.2 million at 30 June 2026 (up 95% year-on-year and 2% quarter-on-quarter) appears modest relative to the Group's historical quarterly growth rates, it reflects a deliberate transition towards higher-quality, more profitable revenue.

Commercial activity centred on beta launch of the new platform (PaaS) and bringing cash receipts forward, positioning the business for higher-quality, cash-generative growth.

To support this transition the Group has retired ramp deals as standard for DaaS clients, which naturally extend sales cycles. Additionally, the Group has engagement with higher-tier customer prospects. While these opportunities have the potential to generate significantly larger contracts, they also involve longer enterprise sales cycles.

Established Metrics

Among the established metrics, **ARR per employee** rose 75% year-on-year to $461,524, reflecting stronger operating leverage and a consolidation of duplicated functions between the various business ventures. Meanwhile, **revenue churn** remained stable. **CAC payback** lengthened to 6.27 months, an expected temporary step-up as consumption contracts are not annualised and ramp deals are retired; a longer payback is an acceptable trade-off given that DaaS and platform customers result in lower churn. CAC payback is expected to normalise toward the Group's target of around 3.5 months.

Why our reporting is evolving as our business evolves

As outlined in Blackpearl's recent updates, the business is now introducing a new layer to its revenue model. Blackpearl is now introducing Platform as a Service (PaaS), enabling customers to build applications, skills and AI agents on the Group's technology.

Recurring revenue remains an important pillar of the business. However, PaaS pricing is consumption-based, with customers purchasing tokens as they use the platform, rather than through annual or contractually recurring subscriptions. The Group expects this to become a significant contributor to revenue over the coming year.

DaaS has grown from 0% to approximately 40% of revenue, showing how quickly the business changes and grows in line with market demand. As the Group's revenue composition evolves further and includes more consumption-based pricing, existing recurring revenue metrics will provide an incomplete representation of the business.

Accordingly, over the coming quarters the Group will introduce additional reporting metrics that better reflect its overall revenue growth and business performance.

CEO Nick Lissette said: "The team has continued to execute against the commitments we have made to the market. During the quarter, we accelerated our trajectory towards EBITDAF positivity while continuing to invest in meaningful technical innovation.

As outlined in our strategy, we are now bringing Platform-as-a-Service to market. This represents the next evolution of Black Pearl Group, creating new revenue opportunities while further strengthening our Data-as-a-Service offering and continuing to streamline our retail business.

We believe these initiatives position the Group well for the next phase of growth, with an increasingly diversified revenue model underpinned by our proprietary AI technology."

ENDS

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About Blackpearl Group

Blackpearl Group (BPG) builds the leading AI models for go-to-market, serving US sales and marketing teams. Powered by the Pearl Engine - a proprietary AI platform processing over 32 billion buyer signals daily - the Group operates three ventures: Pearl Diver, B2B Rocket, and Bebop.

Founded in 2012, BPG is headquartered in Wellington, New Zealand, with offices in Phoenix, Arizona, and is dual-listed on the NZX and ASX.

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