

Reconciliation of financial statements to pro forma historical information

This section contains reconciliations between audited/unaudited financial information to pro forma historical information presented. The reconciliations within this section are as follows:

1 30 September 2021 reconciliations

- 1.1 Reconciliation of New Old Stamp carve out financial statements and Black Pearl Mail Group ('Black Pearl') financial statements to pro forma historical information for the six months ended 30 September 2021
- 1.2 Reconciliation of non NZ GAAP measures

2 30 September 2022 reconciliations

- 2.1 Reconciliation of New Old Stamp carve out financial statements and Black Pearl Mail Group ('Black Pearl') financial statements to pro forma historical information for the six months ended 30 September 2022
- 2.2 Reconciliation of non NZ GAAP measures

3 31 March 2022 reconciliations

- 3.1 Reconciliation of New Old Stamp carve out financial statements and Black Pearl Mail Group ('Black Pearl') financial statements to pro forma historical information for the year ended 31 March 2022
- 3.2 Reconciliation of non NZ GAAP measures

4 31 March 2021 reconciliations

- 4.1 Reconciliation of New Old Stamp carve out financial statements and Black Pearl Mail Group ('Black Pearl') financial statements to pro forma historical information for the year ended 31 March 2021
- 4.2 Reconciliation of non NZ GAAP measures

1. Reconciliation of financial statements to pro forma historical information

Black Pearl Group

Interim - 30 September 2021

1.1

| | New Old Stamp Business carve out financial statements | Black Pearl Mail Group financial statements | Note | Black Pearl Group pro forma |
|------------------------------------|--|--|-------------|--|
| | NZD \$ | NZD \$ | | NZD \$ |
| Revenue | 425,144 | 467,508 | 1 | 892,652 |
| EBITDA | (71,986) | (1,854,533) | | (1,926,519) |
| Net profit (loss) after tax | (71,986) | (1,945,203) | | (2,017,189) |

The New Old Stamp Business carve out financial statement information is derived from the comparative information from the unaudited Interim Carve Out Financial Statements for the six months ended 30 September 2022 prepared as special purpose financial statements. The financial statements are not prepared in compliance with NZ GAAP due to the size of the entity. These financial statements may contain different financial information from the information in the table headed "Selected financial information" in the PDS.

The Black Pearl Mail Group financial statement information is derived from the comparative information from unaudited Interim Financial Statements for the six months ended 30 September 2022 prepared in compliance with NZ IAS 34.

Note 1

Included in revenue for Black Pearl Mail is \$172k of government grant income.

1.2 Reconciliation to NZ GAAP

The below table reconciles the EBITDA to NZ GAAP

| EBITDA calculation | New Old Stamp NZD \$ | Black Pearl NZD \$ |
|---|---------------------------------|-------------------------------|
| Loss before tax per financial statement | (71,986) | (1,945,203) |
| Add back depreciation and amortisation | - | 76,711 |
| Add back interest* | - | 13,959 |
| EBITDA | (71,986) | (1,854,533) |

* Interest includes an adjustment for the unwind of a discount on below market loans. See Black Pearl Mail 31 March 2022 Group financial statements for further details.

2. Reconciliation of financial statements to pro forma historical information

Black Pearl Mail Group

Interim - 30 September 2022

2.1

| | New Old Stamp Business carve out financial statements | Black Pearl Mail Group financial statements | Acquisition related structural changes | Note | Black Pearl Mail Group pro forma |
|--|--|---|---|---------|-------------------------------------|
| | NZD \$ | NZD \$ | NZD \$ | | NZD \$ |
| Revenue | 573,744 | 588,807 | | | 1,162,551 |
| EBITDA | (172,891) | (2,860,069) | | | (3,032,960) |
| Net profit (loss) after tax | (172,891) | (2,948,076) | | | (3,120,967) |
| Total Assets | 134,634 | 1,869,011 | 3,060,646 | 1(c,a) | 5,064,290 |
| Cash and cash equivalents | 127,882 | 1,206,887 | (911,682) | 1 (a) | 423,087 |
| Total liabilities | 728,966 | 829,380 | 809,062 | 1 (b,d) | 2,367,407 |
| Total interest bearing debt | - | 378,002 | | | 378,002 |
| Net cash flows from operating activities | (159,676) | (2,592,368) | | | (2,752,044) |

The New Old Stamp Business carve out financial statement information is derived from the unaudited Carve Out Financial Statements for the six months ended 30 September 2022 prepared as special purpose financial statements. The financial statements are not prepared in compliance with NZ GAAP due to the size of the entity. These financial statements may contain different financial information from the information in the table headed "Selected financial information" in the PDS.

The Black Pearl Mail Group financial statement information is derived from the unaudited Interim Financial Statements for the six months ended 30 September 2022 prepared in compliance with NZ IAS 34.

| <i>Reconciliation of adjustments</i> | <i>NZD \$</i> |
|--|------------------|
| Total assets adjustments | 3,060,646 |
| Recognition of intangible assets on acquisition (note 1 c) | 3,972,328 |
| Removal of New Old Stamp cash balances (note 1 a) | (127,882) |
| Recognition of cash paid on acquisition (note 1 a) | (783,800) |
| | 3,060,646 |
| Total cash and cash equivalents adjustments | (911,682) |
| Recognition of cash paid on acquisition (note 1 a) | (783,800) |
| Removal of New Old Stamp cash balances (note 1 a) | (127,882) |
| | (911,682) |
| Total liabilities adjustment | 809,062 |
| Recognition of liabilities payable on acquisition (note 1b) | 1,070,705 |
| Removal of New Old stamp loan extinguished in transaction (note 1 d) | (261,643) |
| | 809,062 |

Note 1
Business combination

Black Pearl paid total compensation of \$4 million to acquire the business of New Old Stamp. Consideration consisted of \$783k of cash and \$3,188k of the issue of shares in Black Pearl Mail Limited. A portion of consideration is contingent on certain events occurring in the two years after acquisition. The treatments are preliminary and are outlined below:

Note 1 (a)**Total consideration**

| | NZD \$ |
|------------------------------|-------------------------|
| Cash | 783,800 |
| Shares | 3,188,528 |
| | <u>3,972,328</u> |
| | NZD \$ |
| Non contingent consideration | 1,783,529 |
| Contingent consideration | 2,188,799 |
| | <u>3,972,328</u> |

As part of the transaction Black Pearl did not take over any of the New Old Stamp bank accounts. As such the New Old Stamp cash balance has been removed from the above pro forma information.

Note 1 (b)**Contingent consideration**

\$2,188k of consideration is contingent upon certain events occurring, including the continuation of assets performing, maintenance of site visits and non compete conditions. Black Pearl have assessed a 100% likelihood of these amounts being paid and recognised these as part of the consideration paid. The provisional treatment is outlined below:

Anniversary one

| | Gross NZD \$ | Discounted* NZD \$ |
|--|-------------------------|-------------------------------|
| 329 shares at \$1821 per share | 599,109 | 599,109 |
| NZD\$600,000 of shares issued at the most recent price | 600,000 | 581,790 |
| Total anniversary one consideration | <u>1,199,109</u> | <u>1,180,899</u> |

Anniversary two

| | Gross NZD \$ | Discounted* NZD \$ |
|--|-------------------------|-------------------------------|
| 285 shares at \$1821 per share | 518,985 | 518,985 |
| NZD\$520,800 of shares issued at the most recent price | 520,800 | 488,915 |
| Total anniversary two consideration | <u>1,039,785</u> | <u>1,007,900</u> |

*Black Pearl has provisionally determined that the anniversary one and two fixed share payments (329 and 285 shares) meet the classification of equity. The variable payments (\$600k and \$520k of shares) have been classified as liabilities and discounted based on a 3.13% risk free rate.

| | NZD \$ |
|---|-------------------------|
| Share consideration classified as equity | 1,118,094 |
| Share consideration classified as a liability | 1,070,705 |
| | <u><u>2,188,799</u></u> |

Note 1 (c)

Allocation of purchase price to assets

Black Pearl is still in the process of allocating the purchase price to assets. For the purposes of the pro forma information all value has been allocated to intangible assets and no adjustments have been made for amortisation.

Note 1 (d)

As part of the transaction USD\$150k (NZD \$261k) of external debt held by New Old Stamp was extinguished. As such this debt has been removed from the liabilities in the pro-forma information.

Additional information

Contingent contractor consideration

As part of the transaction additional consideration is payable to the founding shareholders of New Old Stamp on completion of certain service periods. These payments have been classified as contingent contractor payments and excluded from the consideration paid for the business. These payments are accounted for as the contractors provide services over the two periods. Payment is made by the issue of shares at the most recent valuation, to the dollar value outlined below (a variable number of shares). The consideration and service periods are outlined below. No adjustments have been made to the pro forma information for these payments.

Service period one - 1 November 2022 - 1 November 2023

| | NZD \$ |
|--|---------------|
| Share consideration payable at end of the period | 600,465 |

Service period two - 1 November 2023 - 1 November 2024

| | NZD \$ |
|--|---------------|
| Share consideration payable at end of the period | 520,403 |

2.2

Reconciliation to NZ GAAP

The below table reconciles the EBITDA to NZ GAAP

| EBITDA calculation | New Old Stamp | Black Pearl Mail |
|---|----------------------|-------------------------|
| | NZD \$ | Group |
| Loss before tax per financial statement | (172,891) | (2,948,076) |
| Add back depreciation and amortisation | - | 75,210 |
| Add back interest* | - | 12,797 |
| EBITDA | (172,891) | (2,860,069) |

* Interest includes an adjustment for the unwind of a discount on below market loans. See Black Pearl Mail 2022 Group financial statements for further details

3. Reconciliation of financial statements to pro forma historical information:

Black Pearl Mail Group

31-Mar-22

3.1

| | New Old Stamp carve out financial statements | Black Pearl Mail Group financial statements | Acquisition related structural changes (note 1) | Note | Black Pearl Mail Group pro forma |
|--|---|---|--|---------|-------------------------------------|
| | NZD \$ | NZD \$ | NZD \$ | | NZD \$ |
| Revenue | 916,089 | 899,193 | | 2 | 1,815,282 |
| EBITDA | (26,068) | (4,380,969) | | | (4,407,037) |
| Net profit (loss) after tax | (26,068) | (4,347,399) | | | (4,373,467) |
| Total Assets | 259,348 | 1,736,797 | 2,932,966 | 1(c,a) | 4,929,111 |
| Cash and cash equivalents | 255,562 | 900,588 | (1,039,362) | 1 (a) | 116,788 |
| Total liabilities | 628,426 | 768,809 | 855,651 | 1 (b,d) | 2,252,886 |
| Total interest bearing debt | - | 367,862 | | | 367,862 |
| Net cash flows from operating activities | 74,931 | (3,795,492) | | | (3,720,561) |

The New Old Stamp Business carve out financial statement information is derived from the unaudited Carve out Financial Statements for the year ended 31 March 2022 prepared as special purpose financial statements. The financial statements are not prepared in compliance with NZ GAAP due to the size of the entity. These financial statements may contain different financial information from the information in the table headed "Selected financial information" in the PDS.

The Black Pearl Mail Group financial statement information is derived from the 31 March 2022 audited financial statements prepared in compliance with NZ GAAP (NZ IFRS)

| <i>Reconciliation of adjustments</i> | <i>NZD \$</i> |
|--|---------------------------|
| Total assets adjustments | <u>2,932,966</u> |
| Recognition of intangible assets on acquisition (note 1 c) | 3,972,328 |
| Removal of New Old Stamp cash balances (note 1 a) | (255,562) |
| Recognition of cash paid on acquisition (note 1 a) | (783,800) |
| | <u>2,932,966</u> |
| Total cash and cash equivalents adjustments | <u>(1,039,362)</u> |
| Recognition of cash paid on acquisition (note 1 a) | (783,800) |
| Removal of New Old Stamp cash balances (note 1 a) | (255,562) |
| | <u>(1,039,362)</u> |
| Total liabilities adjustment | <u>855,651</u> |
| Recognition of liabilities payable on acquisition (note 1b) | 1,070,705 |
| Removal of New Old stamp loan extinguished in transaction (note 1 d) | (215,054) |
| | <u>855,651</u> |

Note 1

Business combination

Black Pearl paid total compensation of \$4 million to acquire the business of New Old Stamp. Consideration consisted of \$783k of cash and \$3,188k of the issue of shares in Black Pearl Mail Limited. A portion of consideration is contingent on certain events occurring in the two years after acquisition. The treatments are preliminary and are outlined below:

Note 1 (a)**Total consideration**

| | NZD \$ |
|------------------------------|--------------------------------|
| Cash | 783,800 |
| Shares | 3,188,528 |
| | <u>3,972,328</u> |
| | NZD \$ |
| Non contingent consideration | 1,783,529 |
| Contingent consideration | 2,188,799 |
| | <u><u>3,972,328</u></u> |

As part of the transaction Black Pearl did not take over any of the New Old Stamp bank accounts. As such the New Old Stamp cash balance has been removed from the above pro forma information.

Note 1 (b)**Contingent consideration**

\$2,188k of consideration is contingent upon certain events occurring including the continuation of assets performing, maintenance of site visits and non compete conditions. Black Pearl have assessed a 100% likelihood of these amounts being paid and recognised these as part of the consideration paid. The provisional treatment is outlined below:

Anniversary one

| | Gross NZD \$ | Discounted* NZD \$ |
|--|-------------------------|-------------------------------|
| 329 shares at \$1821 per share | 599,109 | 599,109 |
| NZD\$600,000 of shares issued at the most recent price | 600,000 | 581,790 |
| Total anniversary one consideration | <u>1,199,109</u> | <u>1,180,899</u> |

Anniversary two

| | Gross NZD \$ | Discounted* NZD \$ |
|--|-------------------------|-------------------------------|
| 285 shares at \$1821 per share | 518,985 | 518,985 |
| NZD\$520,800 of shares issued at the most recent price | 520,800 | 488,915 |
| Total anniversary two consideration | <u>1,039,785</u> | <u>1,007,900</u> |

*Black Pearl has provisionally determined that the anniversary one and two fixed share payments (329 and 285 shares) meet the classification of equity. The variable payments (\$600k and \$520k of shares) have been classified as liabilities and discounted based on a 3.13% risk free rate.

| | |
|---|------------------|
| | NZD \$ |
| Share consideration classified as equity | 1,118,094 |
| Share consideration classified as a liability | 1,070,705 |
| | <u>2,188,799</u> |

Note 1 (c)

Allocation of purchase price to assets

Black Pearl is still in the process of allocating the purchase price to assets. For the purposes of the pro forma information all value has been allocated to intangible assets and no adjustments have been made for amortisation.

Note 1 (d)

As part of the transaction USD\$150k (NZD \$215k) of external debt held by New Old Stamp was extinguished. As such this debt has been removed from the liabilities in the pro-forma information.

Note 2

Included in revenue for Black Pearl Mail is \$172k of government grant income.

Additional information

Contingent contractor consideration

As part of the transaction additional consideration is payable to the founding shareholders of New Old Stamp on completion of certain service periods. These payments have been classified as contingent contractor payments and excluded from the consideration paid for the business. These payments are accounted for as the contractors provide services over the two periods. Payment is made by the issue of shares at the most recent valuation, to the dollar value outlined below (a variable number of shares). The consideration and service periods are outlined below. No adjustments have been made to the pro forma information for these payments.

Service period one - 1 November 2022 - 1 November 2023

| | |
|--|---------------|
| | NZD \$ |
| Share consideration payable at end of the period | 600,465 |

Service period two - 1 November 2023 - 1 November 2024

| | |
|--|---------------|
| | NZD \$ |
| Share consideration payable at end of the period | 520,403 |

3.2

Reconciliation to NZ GAAP

The below table reconciles the EBITDA to NZ GAAP

| EBITDA calculation | Black Pearl Mail | |
|---|-------------------------|--------------------|
| | New Old Stamp | Group |
| | NZD \$ | NZD \$ |
| Loss before tax per financial statement | (26,068) | (4,563,309) |
| Add back depreciation and amortisation | - | 154,202 |
| Add back interest* | - | 28,138 |
| EBITDA | (26,068) | (4,380,969) |

* Interest includes an adjustment for the unwind of a discount on below market loans. See Black Pearl Mail 2022 Group financial statements for further details

4. Reconciliation of financial statements to pro forma historical information:

Black Pearl Mail Group

31-Mar-21

4.1

| | New Old Stamp carve out financial statements | Black Pearl Mail Group financial statements | Acquisition related structural changes (note 1) | Note | Black Pearl Mail Group pro forma |
|--|---|---|---|---------|-------------------------------------|
| | NZD \$ | NZD \$ | NZD \$ | | NZD \$ |
| Revenue | 599,949 | 608,185 | | 2 | 1,208,134 |
| EBITDA | (164,127) | (5,438,780) | | | (5,602,907) |
| Net profit (loss) after tax | (164,127) | (5,343,593) | | | (5,507,720) |
| Total Assets | 182,754 | 4,396,678 | 3,007,956 | 1(c,a) | 7,587,388 |
| Cash and cash equivalents | 180,572 | 3,303,958 | (964,372) | 1 (a) | 2,520,158 |
| Total liabilities | 525,500 | 663,008 | 855,836 | 1 (b,d) | 2,044,344 |
| Total interest bearing debt | - | 341,430 | | | 341,430 |
| Net cash flows from operating activities | 76,984 | (4,768,517) | | | (4,691,533) |

The New Old Stamp Business carve out financial statement information is derived from the comparative period of the unaudited Carve out Financial Statements for the year ended 31 March 2022 prepared as special purpose financial statements. The financial statements are not prepared in compliance with NZ GAAP due to the size of the entity. These financial statements may contain different financial information from the information in the table headed "Selected financial information" in the PDS.

The Black Pearl Mail Group financial statement information is derived from the comparative period of the 31 March 2022 audited financial statements prepared in compliance with NZ GAAP (NZ IFRS)

| Reconciliation of adjustments | NZD \$ |
|--|-------------------------|
| Total assets adjustments | <u>3,007,956</u> |
| Recognition of intangible assets on acquisition (note 1 c) | 3,972,328 |
| Removal of New Old Stamp cash balances (note 1 a) | (180,572) |
| Recognition of cash paid on acquisition (note 1 a) | <u>(783,800)</u> |
| | <u>3,007,956</u> |
| Total cash and cash equivalents adjustments | <u>(964,372)</u> |
| Recognition of cash paid on acquisition (note 1 a) | (783,800) |
| Removal of New Old Stamp cash balances (note 1 a) | (180,572) |
| | <u>(964,372)</u> |
| Total liabilities adjustment | <u>855,836</u> |
| Recognition of liabilities payable on acquisition (note 1b) | 1,070,705 |
| Removal of New Old stamp loan extinguished in transaction (note 1 d) | (214,869) |
| | <u>855,836</u> |

Note 1

Business combination

Black Pearl paid total compensation of \$4 million to acquire the business of New Old Stamp. Consideration consisted of \$783k of cash and \$3,188k of the issue of shares in Black Pearl Mail Limited. A portion of consideration is contingent on certain events occurring in the two years after acquisition. The treatments are preliminary and are outlined below:

Note 1 (a)**Total consideration**

| | NZD \$ |
|------------------------------|--------------------------------|
| Cash | 783,800 |
| Shares | 3,188,528 |
| | <u>3,972,328</u> |
| | NZD \$ |
| Non contingent consideration | 1,783,529 |
| Contingent consideration | 2,188,799 |
| | <u><u>3,972,328</u></u> |

As part of the transaction Black Pearl did not take over any of the New Old Stamp bank accounts. As such the New Old Stamp cash balance has been removed from the above pro forma information.

Note 1 (b)**Contingent consideration**

\$2,188k of consideration is contingent upon certain events occurring including the continuation of assets performing, maintenance of site visits and non compete conditions. Black Pearl have assessed a 100% likelihood of these amounts being paid and recognised these as part of the consideration paid. The provisional treatment is outlined below:

| | Gross NZD \$ | Discounted* NZD \$ |
|--|-------------------------|-------------------------------|
| Anniversary one | | |
| 329 shares at \$1821 per share | 599,109 | 599,109 |
| NZD\$600,000 of shares issued at the most recent price | 600,000 | 581,790 |
| Total anniversary one consideration | <u>1,199,109</u> | <u>1,180,899</u> |
| | | |
| Anniversary two | | |
| 285 shares at \$1821 per share | 518,985 | 518,985 |
| NZD\$520,800 of shares issued at the most recent price | 520,800 | 488,915 |
| Total anniversary two consideration | <u>1,039,785</u> | <u>1,007,900</u> |

*Black Pearl has provisionally determined that the anniversary one and two fixed share payments (329 and 285) meet the classification of equity. The variable payments (\$600k and \$520k of shares) have been classified as liabilities and discounted based on a 3.13% risk free rate.

| | |
|---|-------------------------|
| | NZD \$ |
| Share consideration classified as equity | 1,118,094 |
| Share consideration classified as a liability | <u>1,070,705</u> |
| | <u>2,188,799</u> |

Note 1 (c)

Allocation of purchase price to assets

Black Pearl is still in the process of allocating the purchase price to assets. For the purposes of the pro forma information all value has been allocated to intangible assets and no adjustments have been made for amortisation.

Note 1 (d)

As part of the transaction USD\$150k (NZD \$215k) of external debt held by New Old Stamp was extinguished. As such this debt has been removed from the liabilities in the pro-forma information.

Note 2

Included in revenue for Black Pearl Mail is \$397k of government grant income.

Additional information

Contingent contractor consideration

As part of the transaction additional consideration is payable to the founding shareholders of New Old Stamp on completion of certain service periods. These payments have been classified as contingent contractor payments and excluded from the consideration paid for the business. These payments are accounted for as the contractors provide services over the two periods. Payment is made by the issue of shares at the most recent valuation, to the dollar value outlined below (a variable number of shares). The consideration and service periods are outlined below. No adjustments have been made to the pro forma information for these payments.

Service period one - 1 November 2022 - 1 November 2023

| | |
|--|---------------|
| | NZD \$ |
| Share consideration payable at end of the period | 600,465 |

Service period two - 1 November 2023 - 1 November 2024

| | |
|--|---------------|
| | NZD \$ |
| Share consideration payable at end of the period | 520,403 |

4.2

Reconciliation to NZ GAAP

The below table reconciles the EBITDA to NZ GAAP

| EBITDA calculation | New Old Stamp | Black Pearl Mail |
|---|----------------------|-------------------------|
| | NZD \$ | Group |
| Loss before tax per financial statement | (164,127) | (5,648,771) |
| Add back depreciation and amortisation | | 198,078 |
| Add back interest* | | 11,913 |
| EBITDA | (164,127) | (5,438,780) |

* Interest includes an adjustment for the unwind of a discount on below market loans. See Black Pearl Mail 2022 Group financial statements for further details