DEMO

Monthly Report

Demo-Software

August 2023



Prepared by

fintelligent

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Notes to Management

Summary

Revenue for this month is $516,995 vs. our budget of $506,655. Year to date revenue is$3,862,976 vs our budget of $3,949,671.

Operating profit for the month is $67,112 vs the budget of $65,770.

Cash on hand is $908,333. The company has generated YTD operating cash flow of $459,169. Partners have taken YTD distributions of $150,000.

Discussion Points

1. Monthly burn rate is creeping up
2. YTD revenue below budget
3. Partner draws down vs YAGO
4. LTV and CAC slightly below target this month

REVENUE (2023 YTD)

$3,862,976

▼ ($86,695) vs budget

Total Revenue for the year-to-date

MONTHLY CASH BURN RATE

$449,882

▲ $8,998 vs target



Cost of Goods Sold + Operating Expenses + Partner Draws

PARTNER DRAWS (2023 YTD)

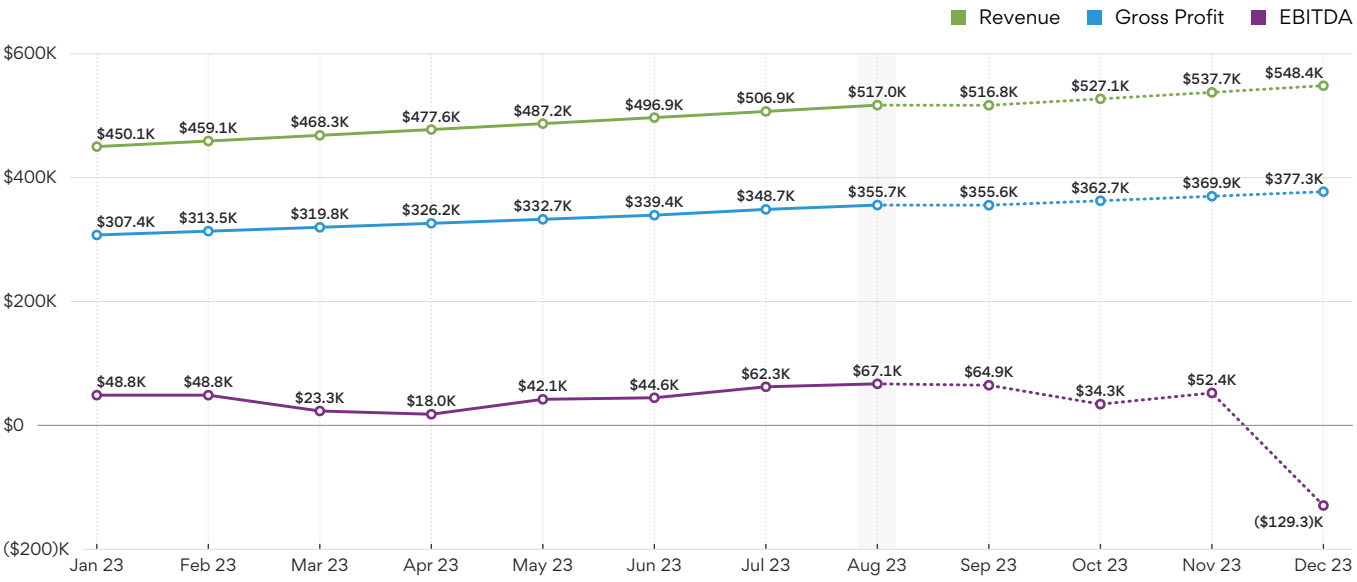
$150,000

▼ ($206,333) from last year (YTD)



Cash withdrawn from the business by the partners

Key Financial Trends this FY



SaaS Metrics

MRR

$527,546

▲ 11.2% vs rolling 12 months average



Monthly Recurring Revenue

ARR

$6,330,548

Annual Recurring Revenue

AVERAGE ORDER VALUE

$602.33

▲ 0.1% vs rolling 12 months average

Average size of an order

COST TO ACQUIRE A CUSTOMER

$18

▼ ($4) vs target



Total sales & marketing cost for a period divided by the number of new customers acquired during that period. Sales cycle is assumed to be one month.

LIFETIME VALUE OF A CUSTOMER

$692

▼ -1.1% vs target

Total gross margin delivered by a customer while they are active with us. The average duration of a customer is 24 months.

LTV/CAV RATIO

38.26

▼ -7.5% vs rolling 12 months average



The ratio of lifetime value of a customer to the cost of acquiring that customer. Benchmark is 3.0 or better.

Customer Metrics

NEW CUSTOMERS

876

▲ 1 vs target



New customers acquired during the period

LOST CUSTOMERS

564

▼ -6 vs target

Number of customers who did not renew or cancelled a subscription

CHURN %

4.5%

▼ -0.18% vs rolling 12 months average

Customers who did not renew a subscription as a percentage of active subscribers for a period

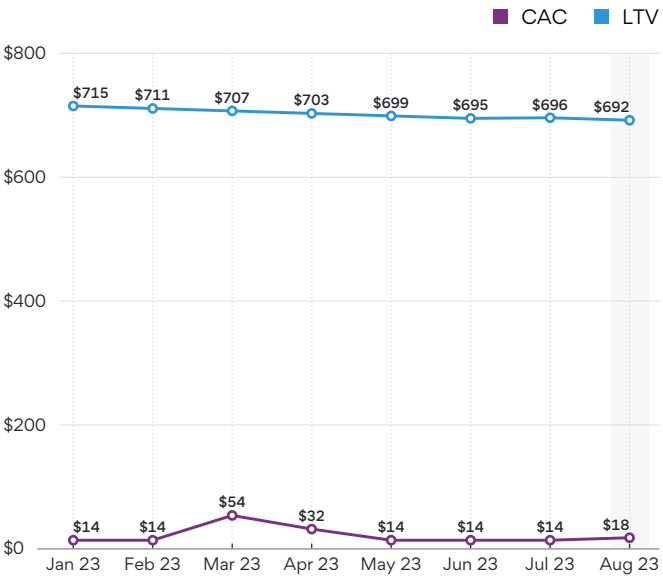
ACTIVE CUSTOMERS

12,579

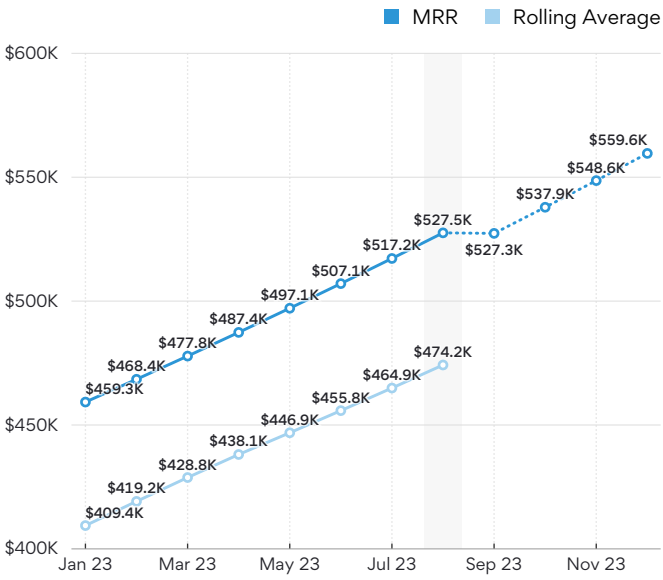
▲ 493 vs target

Number of active customers

Cost to Acquire a Customer vs LTV



MRR Over Past 12 Months



Revenue Analysis

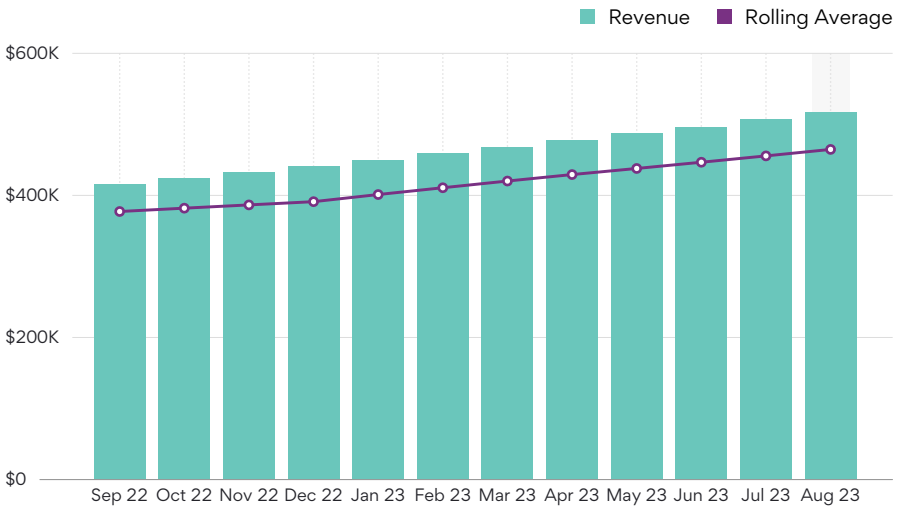
TOTAL REVENUE (2023 YTD)	INITIAL APP SUBSCRIP... (2023 YTD)	APP RENEWALS (2023 YTD)
$3,862,976	$1,001,903	$2,939,914
▼ -2.2% vs target	▼ -2.2% vs budget	▼ -2.2% vs budget

Monthly Revenue vs Rolling 12 months

This chart shows total monthly revenue for each of the past 12 months against the monthly rolling average.

When the bar is above the line, more revenue was generated for the month than average. The opposite is true when the bar is below the line.

Monthly Revenue vs Rolling12 Months

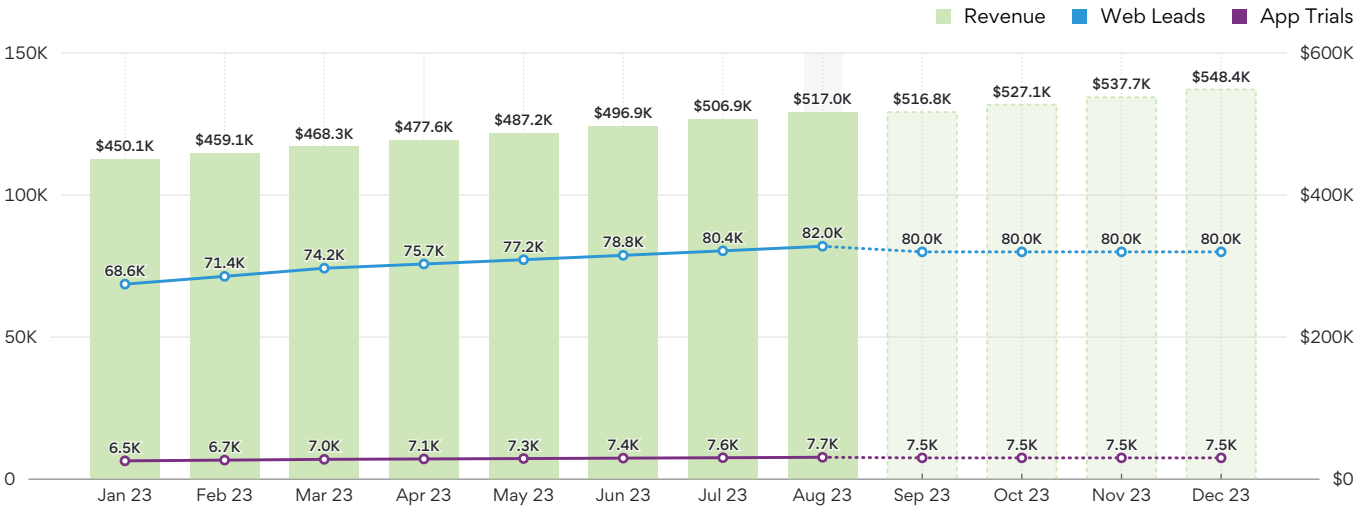


LEADING INDICATORS

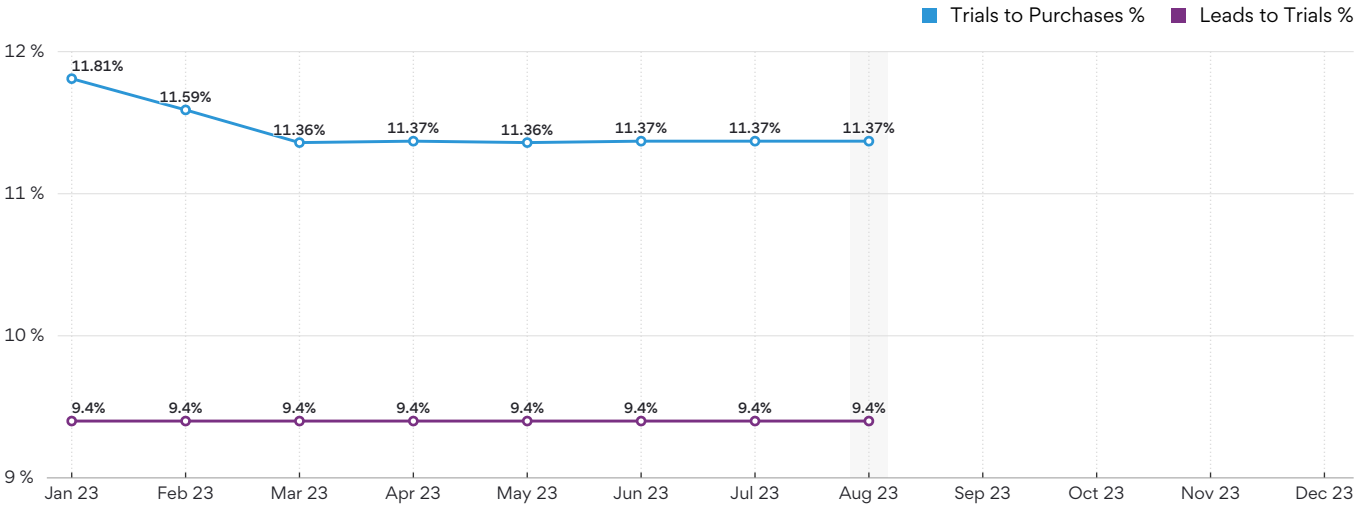
Leading indicators are those that can result in an outcome. For our business, web leads drive app downloads, which then lead to subscriber purchases.

The chart below plots revenue against web leads and app downloads so we can visualize how increases in those metrics drive revenue. Below that chart are conversion rates. Driving higher leads / downloads with increases in conversions is a two-pronged approach that can more rapidly scale revenue.

Revenue vs Web Leads & App Downloads



Conversion %


Trials to Purchases %
Leads to Trials %
12 %
11 %
10 %
9 %
11.81%
11.59%
11.36%
11.37%
11.36%
11.37%
11.37%
11.37%
9.4%
9.4%
9.4%
9.4%
9.4%
9.4%
9.4%
9.4%
Jan 23
Feb 23
Mar 23
Apr 23
May 23
Jun 23
Jul 23
Aug 23
Sep 23
Oct 23
Nov 23
Dec 23

Profitability Analysis

GROSS PROFIT (2023 YTD)

$2,643,532

▼ -2.2% vs budget



Gross Profit is the residual profit after deducting all costs directly related to the sales.

EBITDA (2023 YTD)

$355,112

▼ -1.5% vs budget



EBITDA is Earnings Before Interest, Taxes, Depreciation & Amortization. Also known as Operating Profit, it is the residual profit after deducting all business operating expenses.

NET INCOME (2023 YTD)

$330,112

▼ -8.5% vs budget

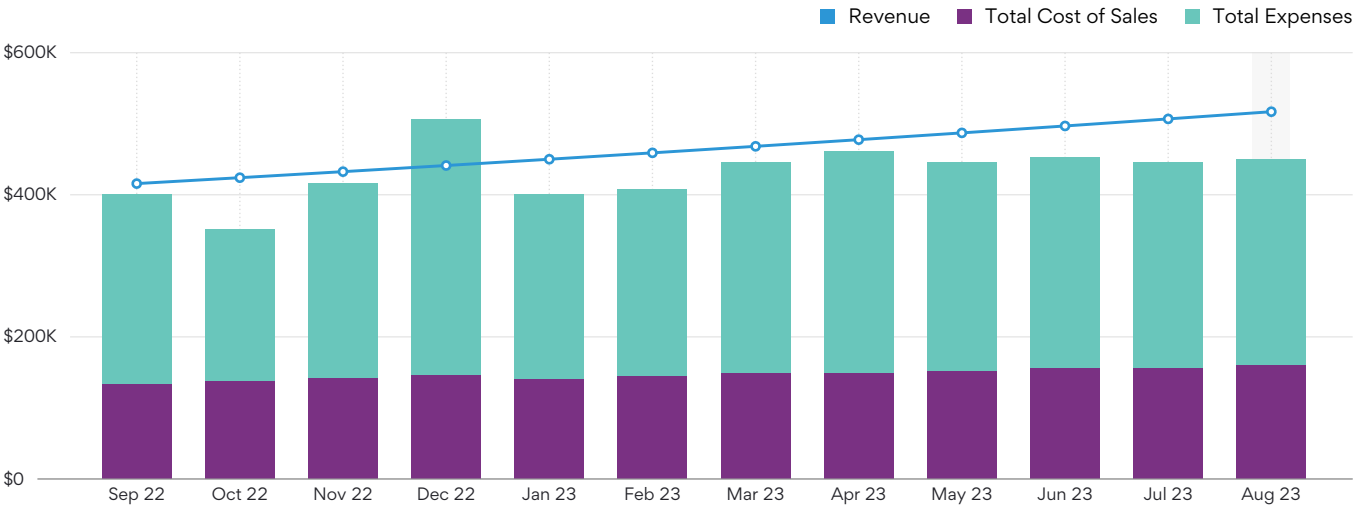


A measure of the proportion of revenue that is left after deducting all cost of goods, expenses, interest, dividends and taxes. As known as Net Profit or 'the bottom line'.

MONTHLY REVENUE VS EXPENSE

The chart below is a 12 month lookback to see if increases in revenue are greater than increases in our costs. When revenue increases at a rate faster than expenses the business is scalable.

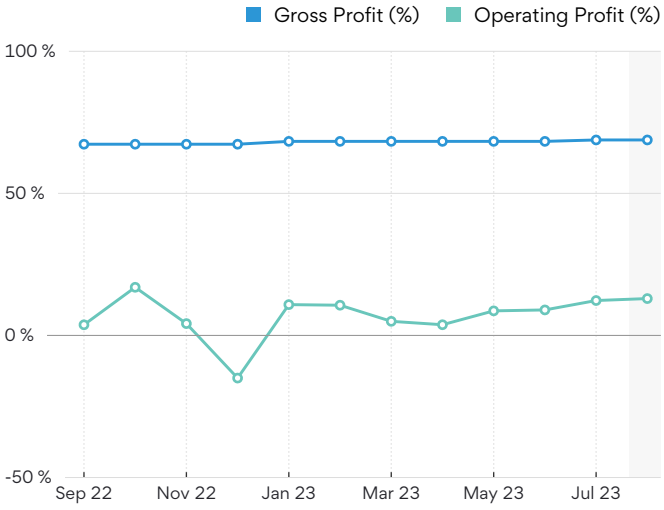
Monthly Revenue vs Expense



Top 10 Expenses (2023 YTD)

Gross Wages	$1,364,475
Software & Subscriptions	$150,727
Outsourced Engineering	$141,006
Employer Payroll Taxes	$124,167
Accounting	$64,400
Digital Advertising	$57,945
Subcontractors	$56,472
Rent	$46,100
Legal	$35,641
Website	$32,038

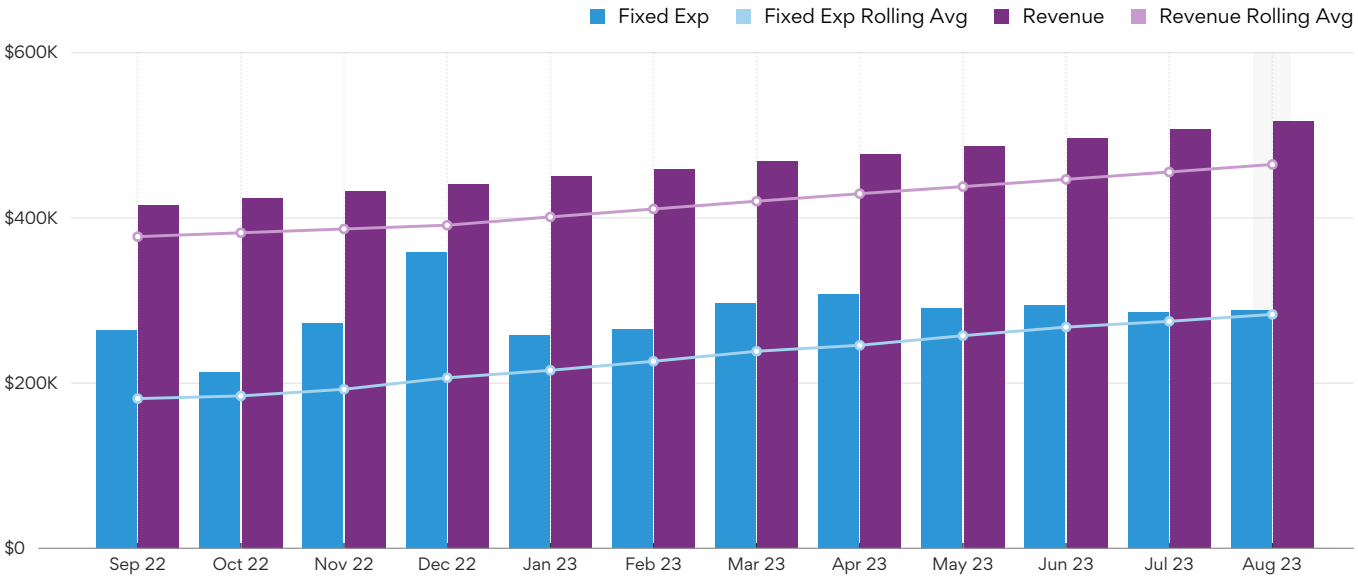
Margin Trends



Scalability

The chart below plots fixed expenses and revenue. Look at the rolling averages (lightly shaded lines). As the business scales, we want fixed costs to increase at a rate lower than revenue. Doing so ensures each additional dollar of revenue delivers more money to cover variable overhead and profit.

Fixed expenses are defined as operating expenses. They do not include cost of good sold, which is an expense that varies with revenue.



Cash Analysis

CASH ON HAND

$908,333

▼ -4.6% vs rolling 12 months average



Total cash on hand as per the general ledger at the end of last month

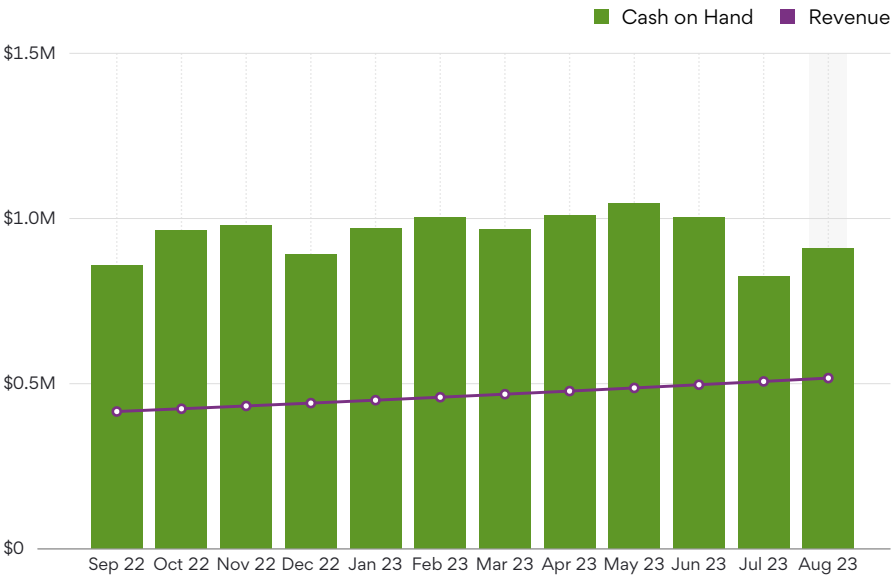
OPERATING CASH FLO... (2023 YTD)

$459,169



Operating cash flow is simply the cash generated by the operating activities of the business. This includes the production, sales and delivery of your company's products and services as well as collecting payment from its customers and making payment to suppliers.

Historical Cash Generation

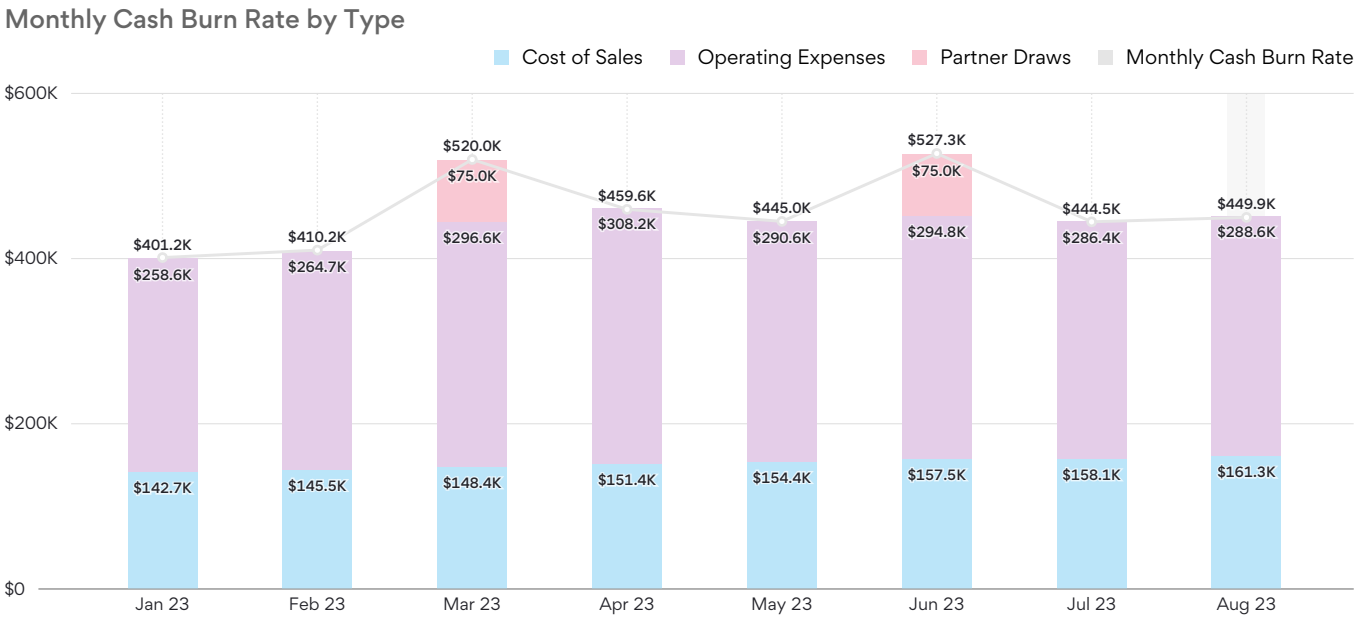


HISTORICAL CASH GENERATION

This chart plots the company's ending cash balance, revenue and monthly cash burn rate. Cash balances should rise as revenue increases more than the monthly cash burn rate.

MONTHLY CASH BURN RATE BY TYPE

This chart shows how the company's cash is spent each month.



Profit & Loss

August 2023 Profit & Loss vs Budget

	Aug 2023	Budget (Aug 2023)	$ Variance	% Variance
Revenue				
Initial App Subscriptions	$134,088	$131,406	$2,682	2.04%
App Renewals	$393,458	$385,589	$7,869	2.04%
Refunds	($10,551)	($10,340)	($211)	-2.04%
Total Revenue	**$516,995**	**$506,655**	**$10,340**	**2.04%**
Cost of Revenue				
Platform Fees	$147,343	$144,397	$2,947	2.04%
Hosting	$11,374	$11,146	$227	2.04%
Affiliate Fees	$2,585	$2,533	$52	2.04%
Total Cost of Revenue	**$161,302**	**$158,076**	**$3,226**	**2.04%**
Gross Profit	**$355,692**	**$348,579**	**$7,114**	**2.04%**
Gross Profit Margin (%)	**68.80%**	**68.80%**	**0.00%**	**0.00%**
Expenses				
Sales & Marketing Exp				
Digital Advertising	$7,755	$7,600	$155	2.04%
Website	$3,796	$3,720	$76	2.04%
Social Media	$258	$253	$5	2.04%
Sales Commissions	$2,682	$2,628	$54	2.04%
Sls & Mktg Software	$1,358	$1,331	$27	2.04%
Total Sales & Marketing Exp	**$15,849**	**$15,532**	**$317**	**2.04%**
Comp & Benefits				
Gross Wages	$176,398	$172,870	$3,528	2.04%
Employer Payroll Taxes	$16,052	$15,731	$321	2.04%
Employee Benefits	$3,166	$3,103	$63	2.04%
Retirement Contributions	$1,547	$1,516	$31	2.04%
Subcontractors	$7,059	$6,918	$141	2.04%
Payroll Service Fees	$792	$776	$16	2.04%
Total Comp & Benefits	**$205,014**	**$200,914**	**$4,100**	**2.04%**
IT Expenses				

August 2023 Profit & Loss vs Budget

	Aug 2023	Budget (Aug 2023)	$ Variance	% Variance
Software & Subscriptions	$18,907	$18,529	$378	2.04%
Hardware Purchases	$2,285	$2,239	$46	2.04%
IT Support Services	$1,108	$1,086	$22	2.04%
Total IT Expenses	**$22,300**	**$21,854**	**$446**	**2.04%**
Travel & Entertainment				
Travel & Lodging	$1,552	$1,521	$31	2.04%
Meals & Entertainment	$1,481	$1,452	$30	2.04%
Total Travel & Entertainment	**$3,033**	**$2,973**	**$61**	**2.04%**
Office Expenses				
Communications	$459	$450	$9	2.04%
Office Supplies	$160	$157	$3	2.04%
Total Office Expenses	**$619**	**$606**	**$12**	**2.04%**
Professional Services				
Accounting	$6,800	$6,664	$136	2.04%
Legal	$404	$396	$8	2.04%
Total Professional Services	**$7,204**	**$7,060**	**$144**	**2.04%**
Facilities				
Rent	$6,200	$6,076	$124	2.04%
Utilities	$190	$186	$4	2.04%
Maintenance & Repair	$116	$113	$2	2.04%
Total Facilities	**$6,506**	**$6,376**	**$130**	**2.04%**
Insurance	$2,023	$1,983	$40	2.04%
Professional Development				
Training & Seminars	$214	$209	$4	2.04%
Other Operating Expenses				
Charitable Contributions	$1,988	$1,948	$40	2.04%
Product Development				
Outsourced Engineering	$22,956	$22,497	$459	2.04%
PD Software	$875	$858	$18	2.04%
Total Product Development	**$23,831**	**$23,354**	**$477**	**2.04%**
Total Expenses	**$288,580**	**$282,808**	**$5,772**	**2.04%**
EBITDA	**$67,112**	**$65,770**	$1,342	2.04%
EBITDA Margin (%)	**12.98%**	**12.98%**	0.00%	0.00%
Net Income	**$67,112**	**$65,770**	$1,342	2.04%

August 2023 Profit & Loss vs Budget

	Aug 2023	Budget (Aug 2023)	$ Variance	% Variance
Net Income Margin (%)	12.98%	12.98%	0.00%	0.00%

YTD 2023 Profit & Loss vs Budget

	2023 (YTD)	Budget (YTD)	$ Variance	% Variance
Revenue				
Initial App Subscriptions	$1,001,903	$1,024,388	($22,485)	-2.19%
App Renewals	$2,939,914	$3,005,893	($65,979)	-2.19%
Refunds	($78,841)	($80,610)	$1,769	2.19%
Total Revenue	**$3,862,976**	**$3,949,671**	**($86,695)**	**-2.19%**
Cost of Revenue				
Platform Fees	$1,115,144	$1,140,388	($25,244)	-2.21%
Hosting	$84,985	$86,893	($1,907)	-2.20%
Affiliate Fees	$19,315	$19,748	($433)	-2.20%
Total Cost of Revenue	**$1,219,444**	**$1,247,029**	**($27,585)**	**-2.21%**
Gross Profit	**$2,643,532**	**$2,702,642**	**($59,110)**	**-2.19%**
Gross Profit Margin (%)	**68.43%**	**68.43%**	**0.01%**	**0.01%**
Expenses				
Sales & Marketing Exp				
Digital Advertising	$57,945	$59,245	($1,300)	-2.19%
Website	$32,038	$33,374	($1,336)	-4.00%
Social Media	$2,036	$2,084	($48)	-2.30%
Events	$14,000	$14,700	($700)	-4.76%
Sales Commissions	$20,038	$20,488	($450)	-2.19%
Sls & Mktg Software	$14,836	$15,293	($457)	-2.99%
Total Sales & Marketing Exp	**$140,893**	**$145,184**	**($4,291)**	**-2.96%**
Comp & Benefits				
Gross Wages	$1,364,475	$1,395,655	($31,180)	-2.23%
Employer Payroll Taxes	$124,167	$127,005	($2,837)	-2.23%
Employee Benefits	$25,328	$25,930	($602)	-2.32%
Retirement Contributions	$12,372	$12,666	($294)	-2.32%
Subcontractors	$56,472	$57,813	($1,341)	-2.32%
Payroll Service Fees	$6,336	$6,486	($150)	-2.32%
Recruiting	$15,000	$14,700	$300	2.04%
Total Comp & Benefits	**$1,604,151**	**$1,640,256**	**($36,105)**	**-2.20%**
IT Expenses				
Software & Subscriptions	$150,727	$154,297	($3,570)	-2.31%
Hardware Purchases	$7,948	$8,185	($237)	-2.90%
IT Support Services	$8,836	$9,045	($209)	-2.31%

YTD 2023 Profit & Loss vs Budget

	2023 (YTD)	Budget (YTD)	$ Variance	% Variance
Total IT Expenses	**$167,511**	**$171,527**	**($4,017)**	**-2.34%**
Travel & Entertainment				
Travel & Lodging	$9,722	$10,017	($294)	-2.94%
Meals & Entertainment	$6,440	$6,579	($139)	-2.11%
Total Travel & Entertainment	**$16,162**	**$16,595**	**($433)**	**-2.61%**
Office Expenses				
Communications	$3,672	$3,759	($87)	-2.32%
Office Supplies	$7,436	$7,358	$78	1.06%
Office Equipment & Repair	$1,950	$2,048	($98)	-4.76%
Total Office Expenses	**$13,058**	**$13,165**	**($107)**	**-0.81%**
Professional Services				
Accounting	$64,400	$66,192	($1,792)	-2.71%
Legal	$35,641	$36,376	($736)	-2.02%
Consulting	$13,200	$13,860	($660)	-4.76%
Total Professional Services	**$113,241**	**$116,428**	**($3,188)**	**-2.74%**
Facilities				
Rent	$46,100	$47,173	($1,073)	-2.27%
Utilities	$1,047	$1,069	($22)	-2.03%
Maintenance & Repair	$1,040	$1,067	($28)	-2.60%
Total Facilities	**$48,186**	**$49,309**	**($1,122)**	**-2.28%**
Insurance	$20,184	$20,768	($584)	-2.81%
Professional Development				
Dues & Subscriptions	$3,510	$3,686	($176)	-4.76%
Training & Seminars	$999	$1,027	($27)	-2.66%
Total Professional Development	**$4,509**	**$4,712**	**($203)**	**-4.30%**
Other Operating Expenses				
Bank Charges	$75	$79	($4)	-4.76%
Gifts	$750	$770	($20)	-2.60%
Charitable Contributions	$11,694	$12,140	($446)	-3.67%
Total Other Operating Expenses	**$12,519**	**$12,988**	**($469)**	**-3.61%**
Product Development				
Outsourced Engineering	$141,006	$143,859	($2,853)	-1.98%
PD Software	$7,000	$7,166	($166)	-2.32%
Total Product Development	**$148,006**	**$151,026**	**($3,020)**	**-2.00%**

YTD 2023 Profit & Loss vs Budget

	2023 (YTD)	Budget (YTD)	$ Variance	% Variance
Total Expenses	**$2,288,420**	**$2,341,958**	($53,538)	-2.29%
EBITDA	**$355,112**	**$360,684**	($5,572)	-1.54%
EBITDA Margin (%)	**9.19%**	**9.13%**	0.06%	0.66%
Interest Expenses				
Interest Expense	$25,000	$0	$25,000	-
Earnings Before Tax	**$330,112**	**$360,684**	($30,572)	-8.48%
Net Income	**$330,112**	**$360,684**	($30,572)	-8.48%
Net Income Margin (%)	**8.55%**	**9.13%**	-0.59%	-6.42%

Balance Sheet

BALANCE SHEET	Aug 2023	Jul 2023	$ Variance	Rolling 12 months
ASSETS				
Cash & Equivalents				
Cash	$908,333	$825,364	$82,969	$908,333
Accounts Receivable				
Accounts Receivable	$380,143	$372,689	$7,454	$380,143
Other Current Assets				
Prepaid Expenses	$14,676	$15,889	($1,213)	$14,676
Other Current Assets	$7,900	$7,900	$0	$7,900
Total Other Current Assets	**$22,576**	**$23,789**	**($1,213)**	**$22,576**
Total Current Assets	**$1,311,051**	**$1,221,842**	$89,209	**$1,311,051**
Fixed Assets				
Computer Hardware	$36,316	$36,316	$0	$36,316
Furniture & Fixtures	$20,156	$20,156	$0	$20,156
Accumulated Depreciation	($10,306)	($10,306)	$0	($10,306)
Total Fixed Assets	**$46,166**	**$46,166**	**$0**	**$46,166**
Investments or Other Non-Current Assets				
Goodwill	$150,000	$150,000	$0	$150,000
Security Deposits	$15,836	$15,836	$0	$15,836
Total Investments or Other Non-Current Assets	**$165,836**	**$165,836**	**$0**	**$165,836**
Total Non-Current Assets	**$212,002**	**$212,002**	**$0**	**$212,002**
Total Assets	**$1,523,053**	**$1,433,844**	$89,209	**$1,523,053**
LIABILITIES				
Accounts Payable				
Accounts Payable	$28,640	$29,478	($838)	$28,640
Credit Cards	$57,280	$58,955	($1,675)	$57,280
Total Accounts Payable	**$85,920**	**$88,433**	**($2,512)**	**$85,920**

	Aug 2023	Jul 2023	$ Variance	Rolling 12 months
Other Current Liabilities				
Deferred Revenue	$639,844	$615,234	$24,609	$639,844
Total Current Liabilities	**$725,764**	**$703,667**	**$22,097**	**$725,764**
Total Non-Current Liabilities	**$0**	**$0**	**$0**	**$0**
Total Liabilities	**$725,764**	**$703,667**	**$22,097**	**$725,764**
EQUITY				
Retained Earnings				
Retained Earnings	$1,103,623	$1,036,510	$67,112	$1,103,623
Other Equity				
Partner Contributions	$250,000	$250,000	$0	$250,000
Partner Distributions	($556,333)	($556,333)	$0	($556,333)
Total Other Equity	**($306,333)**	**($306,333)**	**$0**	**($306,333)**
Total Equity	**$797,290**	**$730,177**	**$67,112**	**$797,290**
Total Liabilities & Equity	**$1,523,053**	**$1,433,844**	**$89,209**	**$1,523,053**

Statement of Cash Flows

CASH FLOW STATEMENT	Aug 2023	2023 (YTD)
OPERATING ACTIVITIES		
Net Income	$67,112	$330,112
Change in Accounts Payable	($2,512)	$3,990
Change in Other Current Liabilities	$24,609	$172,316
Change in Accounts Receivable	($7,454)	($55,694)
Change in Other Current Assets	$1,213	($9,054)
Cash Flow from Operating Activities	**$82,969**	**$441,669**
INVESTING ACTIVITIES		
Change in Fixed Assets (ex. Depn and Amort)	$0	($24,663)
Cash Flow from Investing Activities	**$0**	**($24,663)**
FINANCING ACTIVITIES		
Change in Other Equity	$0	($150,000)
Change in Long Term Debt	$0	($250,000)
Cash Flow from Financing Activities	**$0**	**($400,000)**
Change in Cash & Equivalents	**$82,969**	**$17,006**
Cash & Equivalents, Opening Balance	$825,364	$891,326
Cash & Equivalents, Closing Balance	$908,333	$908,333

Basis of Preparation

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