DEMO

Sample Financial Plan

Demo-Software

August 2023

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Prepared by

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Notes to Management

Summary

We are tracking towards our annual revenue goal of $6.0M. This is a year of investing in the business, as we have ramped up staff and product development efforts.

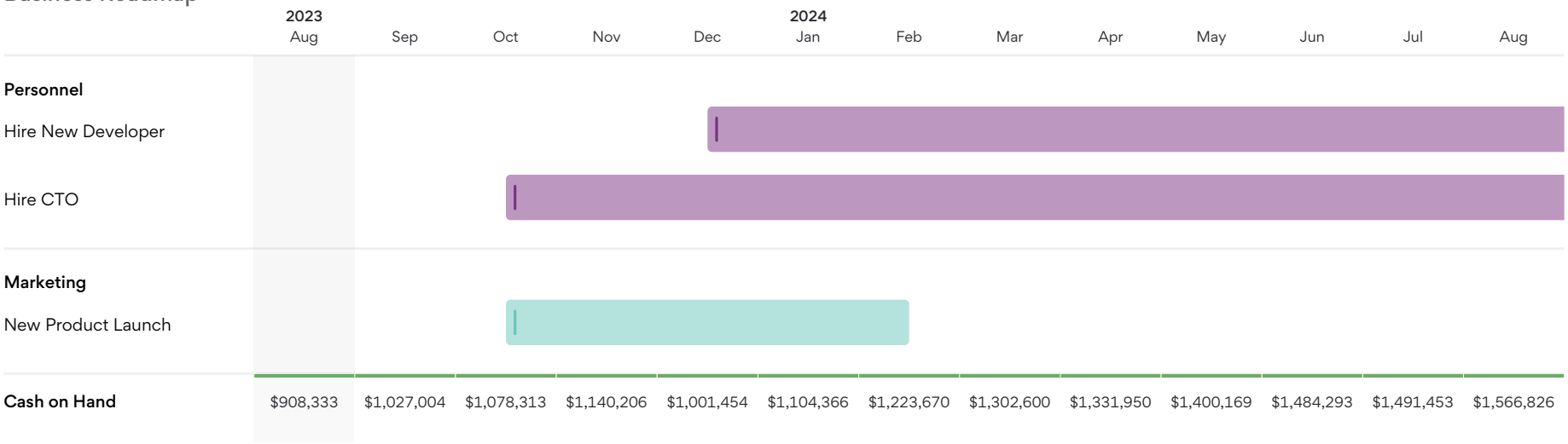
Expect to see some increases in cash balances over the next few months as our increased investments taper off. Should revenue fail to materialize, however, the company should consider either reducing investment in 1Q24 or seek additional funding to ensure sufficient capital is on hand.

2023 Objectives

1. Annual revenue = $6.0M
2. Gross margin = $4.1M, 68.5%
3. EBITDA = $186,101
4. Year-end cash balance = $949,564

Forecast Roadmap

Business Roadmap



NET INCOME FORECAST	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024
Baseline	$67,112	$64,861	$34,318	$52,402	($129,279)	$102,386	$106,829
Hire New Developer	$0	$0	$0	$0	($15,910)	($15,910)	($16,463)
Hire CTO	$0	$0	($21,820)	($21,820)	($22,373)	($22,373)	($22,373)
New Product Launch	$0	$0	($15,000)	($22,500)	($22,500)	($15,000)	$0
Total Net Income Forecast	**$67,112**	**$64,861**	**($2,502)**	**$8,082**	**($190,062)**	**$49,102**	**$67,993**

NET INCOME FORECAST	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Total
Baseline	$117,766	$68,186	$107,055	$122,961	$45,996	$114,210	$874,805
Hire New Developer	($16,463)	($16,463)	($16,463)	($16,463)	($16,463)	($16,463)	($147,065)
Hire CTO	($22,373)	($22,373)	($22,373)	($22,373)	($22,373)	($22,373)	($244,997)
New Product Launch	$0	$0	$0	$0	$0	$0	($75,000)
Total Net Income Forecast	**$78,930**	**$29,350**	**$68,219**	**$84,124**	**$7,160**	**$75,373**	**$407,743**

Revenue Forecast Projection

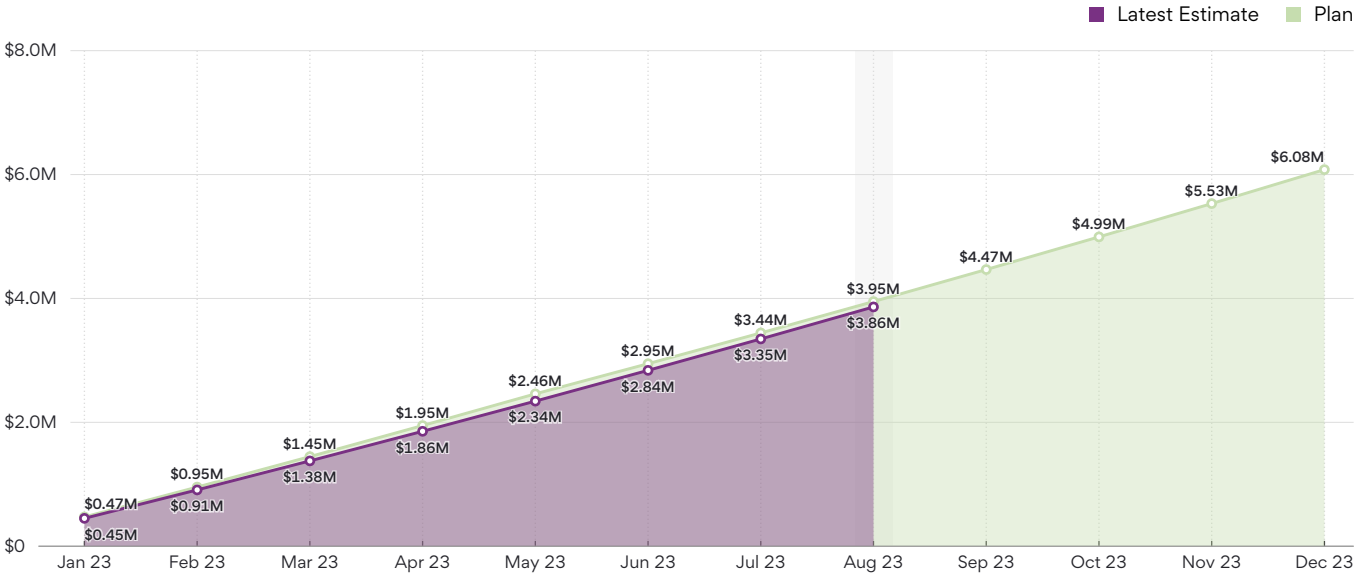
TOTAL REVENUE (2023 YTD)

$3,862,976

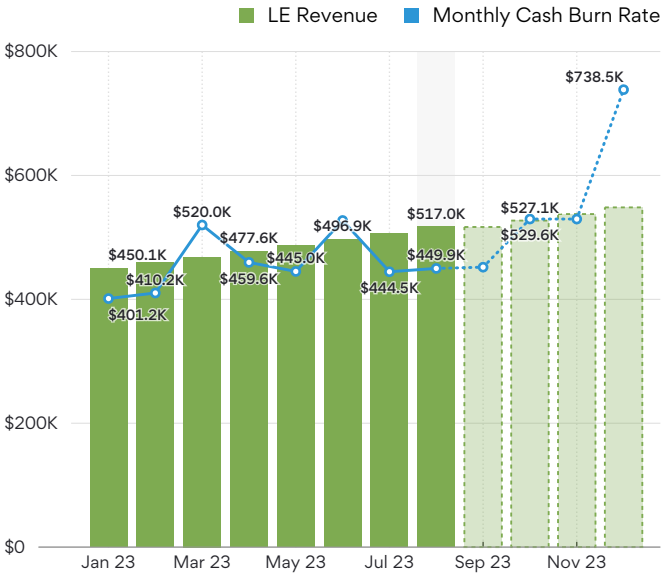
TOTAL REVENUE (2023 YTD)

$3,949,671 Target

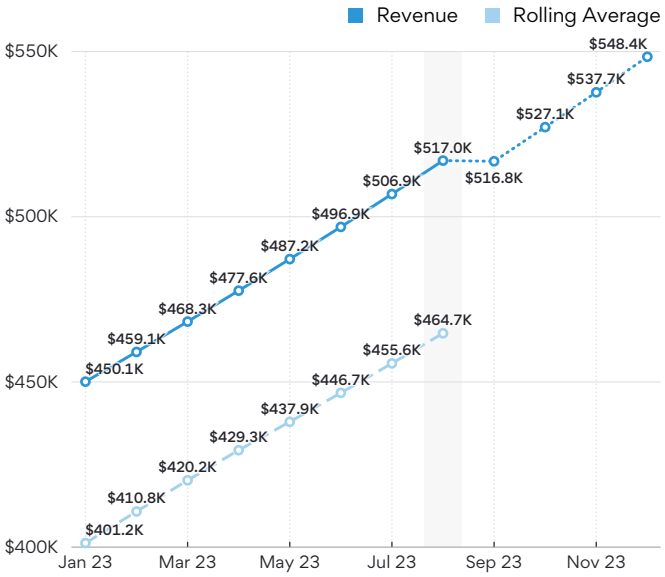
YTD Revenue + Latest Estimate



LE Revenue vs Monthly Cash Burn



Monthly Revenue vs Rolling Avg



Large spike in cash burn rate is due to payment of year-end bonuses.

Profitability Forecast Charts

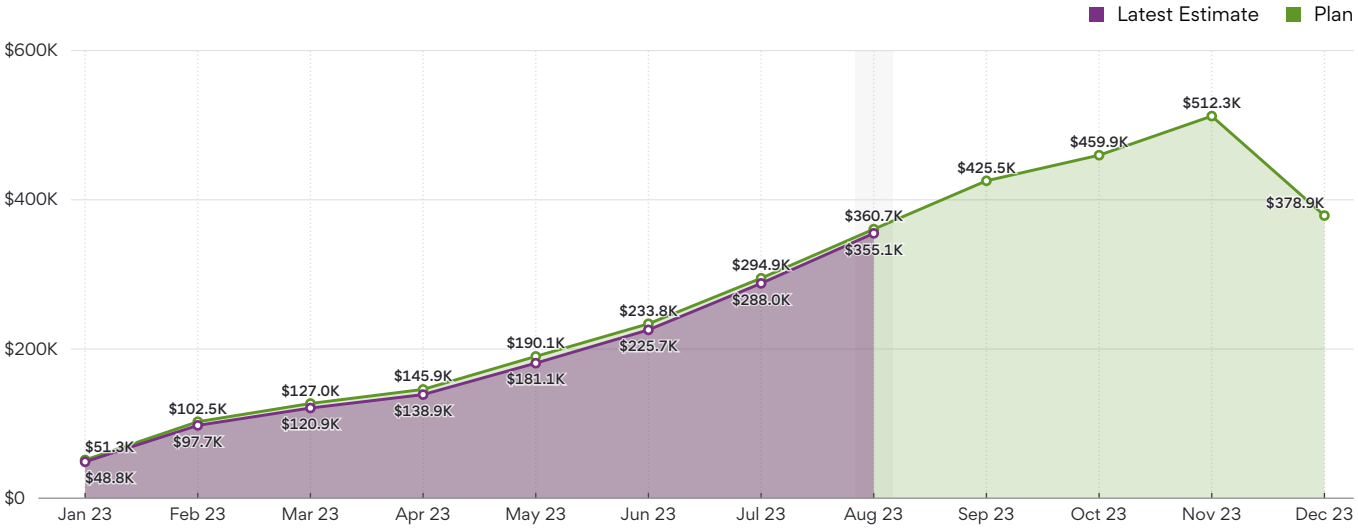
OPERATING PROFIT (2023 YTD)

$355,112

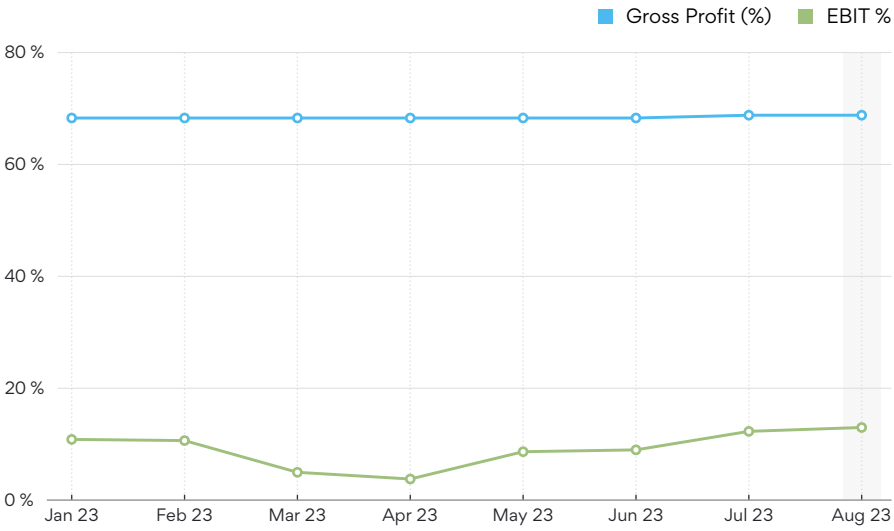
NET INCOME (2023 YTD)

$330,112

EBITDA this financial year



Profit Margins (%) Actual + LE



Profit Margins

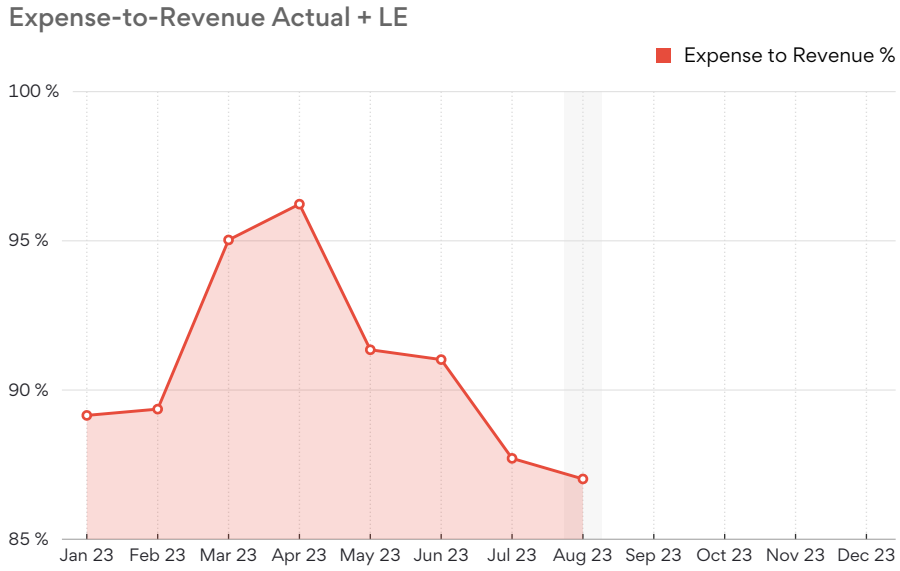
This chart shows the correlation between gross profit margin and EBITDA. Both are expressed as a percentage of revenue.

Our objective is to continuously improve both margins

Expense to Revenue

This chart shows total expenses as a percentage of revenue. We want to minimize this ratio.

Any whitespace between 100% and the line is net income available to the partners



Cash Flow Forecast Analysis

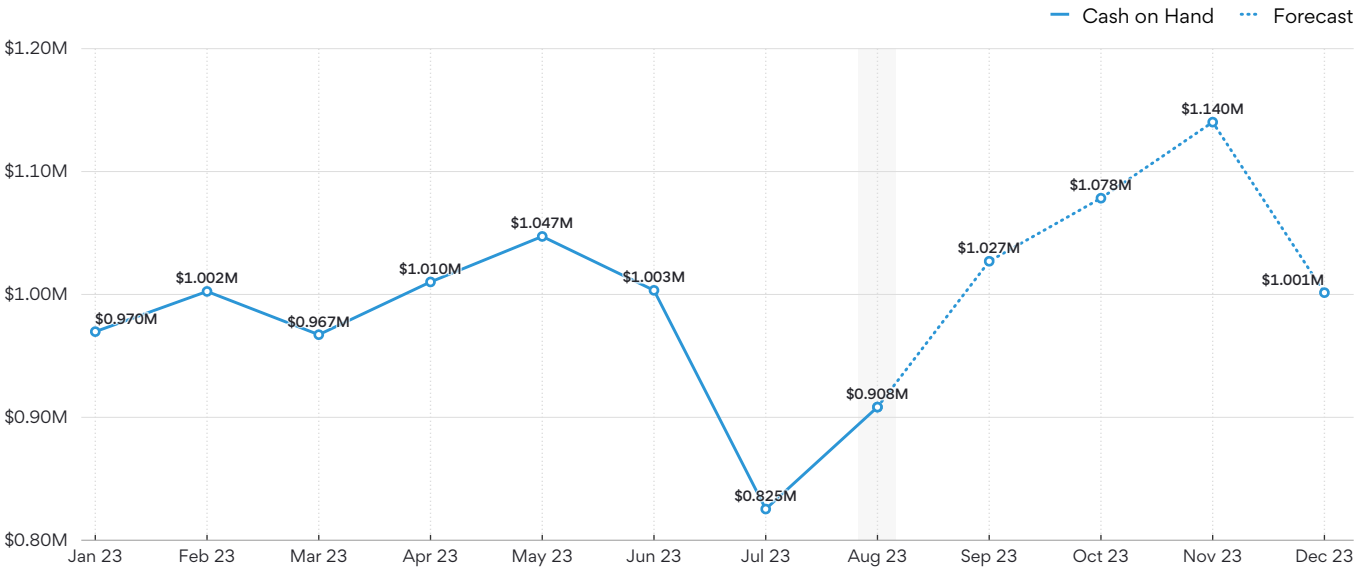
CASH ON HAND

$908,333

NET CASH FLOW (2023 YTD)

$267,006

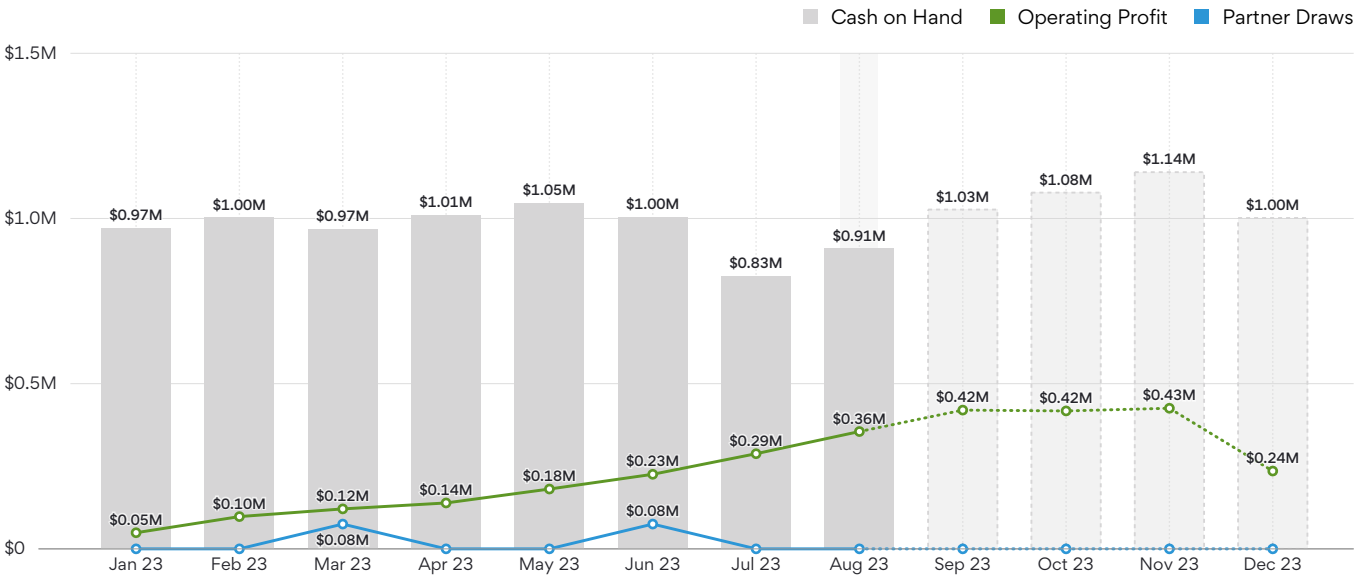
Cash on Hand



Cash Balance Analysis

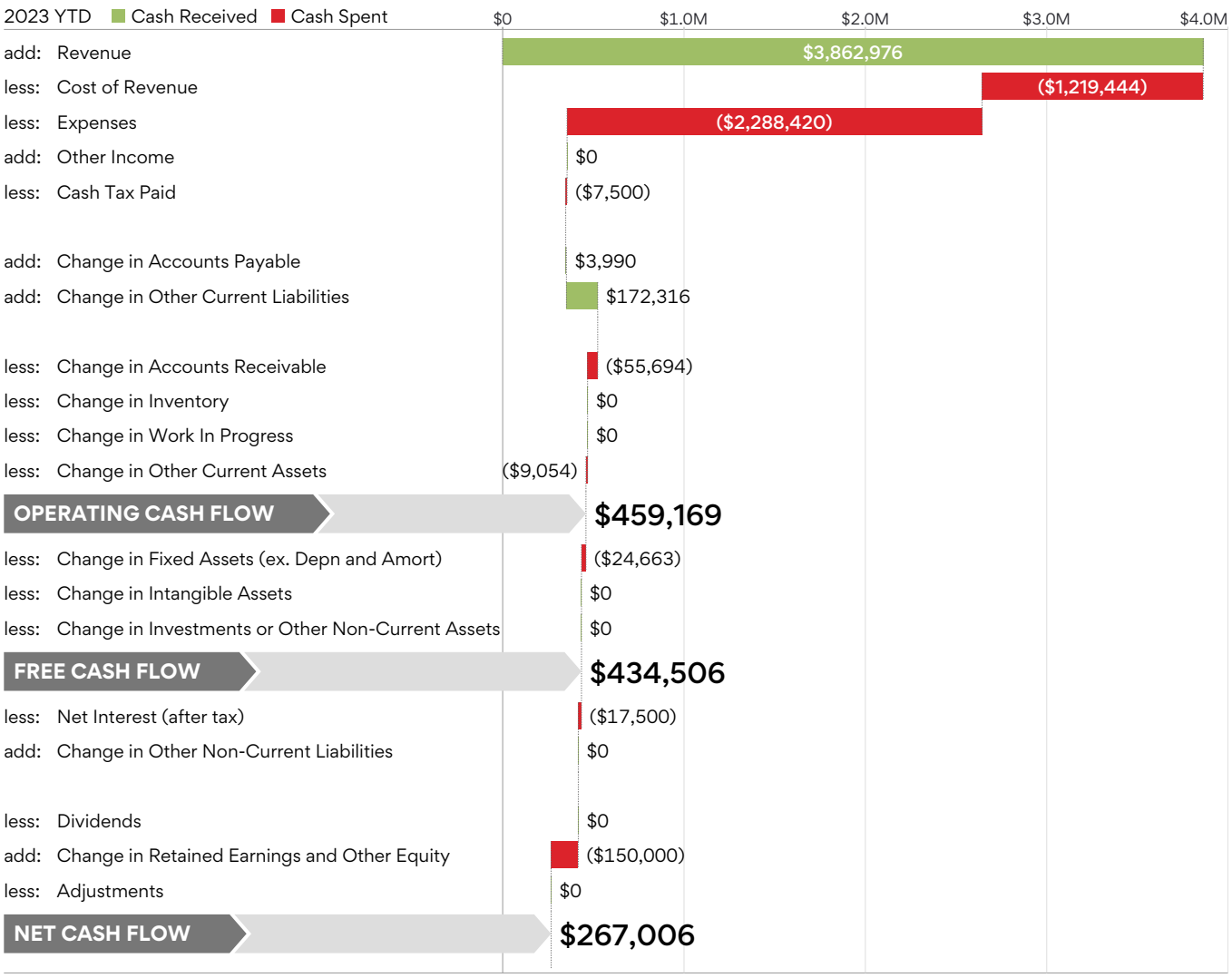
The cash balance chart below shows how cash on hand is impacted by operating profit (which generates cash), the M&T line of credit and partner drawdowns of cash each month.

Cash Balance SEP 23 LE



YTD Cash Flow Analysis

The cash flow analysis below shows your company's sources and usage of cash. Change in Retained Earnings and Other Equity are cash distributions made to partners.



Net Cash Flow can also be calculated as:

Change in Cash on Hand $17,006 (Open: $891,326, Close: $908,333) — **Change in Debt** ($250,000) (Open: $250,000, Close: $0)

Profit & Loss by Month

PROFIT & LOSS	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Total
Revenue													
Initial App Subscriptions	$116,732	$119,066	$121,447	$123,876	$126,354	$128,881	$131,459	$134,088	$134,034	$136,715	$139,449	$142,238	$1,554,339
App Renewals	$342,529	$349,379	$356,367	$363,494	$370,764	$378,179	$385,743	$393,458	$393,301	$401,167	$409,190	$417,374	$4,560,944
Refunds	($9,186)	($9,369)	($9,557)	($9,748)	($9,943)	($10,142)	($10,345)	($10,551)	($10,547)	($10,758)	($10,973)	($11,193)	($122,312)
Total Revenue	**$450,074**	**$459,076**	**$468,257**	**$477,623**	**$487,175**	**$496,918**	**$506,857**	**$516,995**	**$516,788**	**$527,123**	**$537,666**	**$548,419**	**$5.993M**
Cost of Revenue													
Platform Fees	$130,522	$133,132	$135,795	$138,511	$141,281	$144,106	$144,454	$147,343	$147,285	$150,230	$153,235	$156,299	$1,722,193
Hosting	$9,902	$10,100	$10,302	$10,508	$10,718	$10,932	$11,151	$11,374	$11,369	$11,597	$11,829	$12,065	$131,845
Affiliate Fees	$2,250	$2,295	$2,341	$2,388	$2,436	$2,485	$2,534	$2,585	$2,584	$2,636	$2,688	$2,742	$29,965
Total Cost of Revenue	**$142,674**	**$145,527**	**$148,438**	**$151,406**	**$154,435**	**$157,523**	**$158,139**	**$161,302**	**$161,238**	**$164,462**	**$167,752**	**$171,107**	**$1.884M**
Gross Profit	**$307,401**	**$313,549**	**$319,820**	**$326,216**	**$332,741**	**$339,395**	**$348,717**	**$355,692**	**$355,550**	**$362,661**	**$369,914**	**$377,312**	**$4.109M**
Gross Profit Margin (%)	**68.30%**	**68.30%**	**68.30%**	**68.30%**	**68.30%**	**68.30%**	**68.80%**	**68.80%**	**68.80%**	**68.80%**	**68.80%**	**68.80%**	**68.56%**
Expenses													
Sales & Marketing Exp													
Digital Advertising	$6,751	$6,886	$7,024	$7,164	$7,308	$7,454	$7,603	$7,755	$7,752	$22,907	$23,065	$23,226	$134,895
Website	$0	$0	$13,555	$14,687	$0	$0	$0	$3,796	$0	$0	$0	$0	$32,038
Social Media	$251	$252	$253	$254	$255	$256	$257	$258	$254	$255	$7,756	$7,757	$18,057
Events	$0	$0	$14,000	$0	$0	$0	$0	$0	$0	$22,050	$0	$0	$36,050
Sales Commissions	$2,335	$2,381	$2,429	$2,478	$2,527	$2,578	$2,629	$2,682	$2,681	$2,734	$2,789	$2,845	$31,087
Sls & Mktg Software	$1,351	$1,352	$5,353	$1,354	$1,355	$1,356	$1,357	$1,358	$4,364	$1,333	$1,334	$1,335	$23,201
Total Sales & Marketing Exp	**$10,688**	**$10,871**	**$42,614**	**$25,937**	**$11,445**	**$11,643**	**$11,846**	**$15,849**	**$15,050**	**$49,279**	**$34,944**	**$35,163**	**$275,328**
Comp & Benefits													
Gross Wages	$163,090	$163,090	$163,090	$169,613	$176,398	$176,398	$176,398	$176,398	$176,327	$199,854	$199,854	$214,437	$2,154,948
Incentive Comp	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$205,307	$205,307
Employer Payroll Taxes	$14,841	$14,841	$14,841	$15,435	$16,052	$16,052	$16,052	$16,052	$16,046	$18,187	$18,187	$19,514	$196,100
Employee Benefits	$3,166	$3,166	$3,166	$3,166	$3,166	$3,166	$3,166	$3,166	$3,103	$3,103	$3,103	$3,656	$38,292
Retirement Contributions	$1,547	$1,547	$1,547	$1,547	$1,547	$1,547	$1,547	$1,547	$1,516	$1,516	$1,516	$1,516	$18,435
Subcontractors	$7,059	$7,059	$7,059	$7,059	$7,059	$7,059	$7,059	$7,059	$6,918	$6,918	$6,918	$6,918	$84,143
Payroll Service Fees	$792	$792	$792	$792	$792	$792	$792	$792	$776	$776	$776	$776	$9,441
Recruiting	$0	$0	$0	$0	$0	$15,000	$0	$0	$0	$14,700	$0	$0	$29,700
Total Comp & Benefits	**$190,495**	**$190,495**	**$190,495**	**$197,612**	**$205,014**	**$220,014**	**$205,014**	**$205,014**	**$204,686**	**$245,053**	**$230,353**	**$452,124**	**$2.736M**
IT Expenses													
Software & Subscriptions	$18,775	$18,794	$18,813	$18,831	$18,850	$18,869	$18,888	$18,907	$18,547	$18,566	$18,584	$18,603	$225,027
Hardware Purchases	$0	$0	$0	$0	$5,663	$0	$0	$2,285	$0	$0	$3,008	$0	$10,956
IT Support Services	$1,101	$1,102	$1,103	$1,104	$1,105	$1,106	$1,107	$1,108	$1,087	$1,088	$1,089	$1,090	$13,189
Total IT Expenses	**$19,876**	**$19,896**	**$19,916**	**$19,935**	**$25,618**	**$19,975**	**$19,995**	**$22,300**	**$19,634**	**$19,654**	**$22,681**	**$19,693**	**$249,172**

	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Total
Travel & Entertainment													
Travel & Lodging	$1,861	$297	$4,063	$453	$308	$263	$926	$1,552	$296	$3,626	$7,954	$1,629	$23,227
Meals & Entertainment	$76	$804	$622	$2,029	$294	$251	$884	$1,481	$283	$0	$491	$3,002	$10,215
Total Travel & Entertainment	**$1,936**	**$1,101**	**$4,685**	**$2,482**	**$602**	**$513**	**$1,809**	**$3,033**	**$579**	**$3,626**	**$8,445**	**$4,631**	**$33,442**
Office Expenses													
Communications	$459	$459	$459	$459	$459	$459	$459	$459	$450	$450	$450	$450	$5,471
Office Supplies	$148	$271	$1	$56	$533	$6,156	$112	$160	$150	$318	$556	$5,901	$14,362
Office Equipment & Repair	$0	$0	$0	$0	$1,950	$0	$0	$0	$1,064	$0	$0	$0	$3,014
Total Office Expenses	**$607**	**$730**	**$460**	**$515**	**$2,942**	**$6,615**	**$571**	**$619**	**$1,664**	**$768**	**$1,006**	**$6,351**	**$22,847**
Professional Services													
Accounting	$6,800	$6,800	$6,800	$16,800	$6,800	$6,800	$6,800	$6,800	$16,464	$6,664	$6,664	$6,664	$100,856
Legal	$1,739	$5,457	$269	$11,025	$2,201	$1,811	$12,735	$404	$675	$5,436	$1,536	$1,044	$44,331
Consulting	$3,300	$3,300	$3,300	$3,300	$0	$0	$0	$0	$0	$0	$0	$0	$13,200
Total Professional Services	**$11,839**	**$15,557**	**$10,369**	**$31,125**	**$9,001**	**$8,611**	**$19,535**	**$7,204**	**$17,139**	**$12,100**	**$8,200**	**$7,708**	**$158,387**
Facilities													
Rent	$5,700	$5,700	$5,700	$5,700	$5,700	$5,700	$5,700	$6,200	$6,076	$6,076	$6,076	$6,076	$70,404
Utilities	$78	$90	$226	$96	$119	$127	$120	$190	$119	$125	$132	$166	$1,589
Maintenance & Repair	$116	$173	$116	$116	$173	$116	$116	$116	$170	$113	$113	$170	$1,605
Total Facilities	**$5,894**	**$5,964**	**$6,042**	**$5,911**	**$5,992**	**$5,942**	**$5,936**	**$6,506**	**$6,365**	**$6,314**	**$6,321**	**$6,412**	**$73,599**
Insurance	$2,023	$2,023	$2,023	$2,023	$6,023	$2,023	$2,023	$2,023	$1,983	$4,923	$1,983	$1,983	$31,054
Professional Development													
Dues & Subscriptions	$1,560	$1,860	$0	$0	$90	$0	$0	$0	$0	$0	$0	$112	$3,622
Training & Seminars	$0	$376	$0	$300	$0	$63	$47	$214	$113	$92	$46	$46	$1,296
Total Professional Development	**$1,560**	**$2,236**	**$0**	**$300**	**$90**	**$63**	**$47**	**$214**	**$113**	**$92**	**$46**	**$158**	**$4,918**
Other Operating Expenses													
Bank Charges	$0	$0	$75	$0	$0	$0	$0	$0	$123	$0	$0	$0	$198
Gifts	$0	$0	$500	$0	$0	$0	$250	$0	$0	$0	$0	$9,800	$10,550
Charitable Contributions	$0	$2,200	$0	$3,000	$4,506	$0	$0	$1,988	$0	$0	$24,500	$0	$36,194
Total Other Operating Expenses	**$0**	**$2,200**	**$575**	**$3,000**	**$4,506**	**$0**	**$250**	**$1,988**	**$123**	**$0**	**$24,500**	**$9,800**	**$46,942**
Product Development													
Outsourced Engineering	$12,775	$12,775	$18,500	$18,500	$18,500	$18,500	$18,500	$22,956	$22,497	$22,497	$22,497	$22,497	$230,994
PD Software	$875	$875	$875	$875	$875	$875	$875	$875	$858	$858	$858	$858	$10,430
Total Product Development	**$13,650**	**$13,650**	**$19,375**	**$19,375**	**$19,375**	**$19,375**	**$19,375**	**$23,831**	**$23,354**	**$23,354**	**$23,354**	**$23,354**	**$241,424**
Total Expenses	**$258,567**	**$264,722**	**$296,552**	**$308,215**	**$290,608**	**$294,775**	**$286,400**	**$288,580**	**$290,689**	**$365,162**	**$361,832**	**$567,375**	**$3.873M**
EBITDA	**$48,833**	**$48,827**	**$23,268**	**$18,001**	**$42,133**	**$44,620**	**$62,317**	**$67,112**	**$64,861**	**($2,502)**	**$8,082**	**($190,062)**	**$235,491**
EBITDA Margin (%)	**10.85%**	**10.64%**	**4.97%**	**3.77%**	**8.65%**	**8.98%**	**12.29%**	**12.98%**	**12.55%**	**-0.47%**	**1.50%**	**-34.66%**	**3.93%**
Interest Expenses													
Interest Expense	$0	$0	$0	$0	$0	$25,000	$0	$0	$0	$0	$0	$0	$25,000
Earnings Before Tax	**$48,833**	**$48,827**	**$23,268**	**$18,001**	**$42,133**	**$19,620**	**$62,317**	**$67,112**	**$64,861**	**($2,502)**	**$8,082**	**($190,062)**	**$210,491**
Net Income	**$48,833**	**$48,827**	**$23,268**	**$18,001**	**$42,133**	**$19,620**	**$62,317**	**$67,112**	**$64,861**	**($2,502)**	**$8,082**	**($190,062)**	**$210,491**
Net Income Margin (%)	**10.85%**	**10.64%**	**4.97%**	**3.77%**	**8.65%**	**3.95%**	**12.29%**	**12.98%**	**12.55%**	**-0.47%**	**1.50%**	**-34.66%**	**3.51%**

Balance Sheet by Month

BALANCE SHEET	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Total
ASSETS													
Cash & Equivalents	$969,734	$1,002,449	$967,251	$1,010,165	$1,047,200	$1,003,340	$825,364	$908,333	$1,027,004	$1,078,313	$1,140,206	$1,001,454	$1,001,454
Accounts Receivable	$330,937	$337,556	$344,307	$351,193	$358,217	$365,381	$372,689	$380,143	$316,785	$253,428	$190,071	$126,714	$126,714
Other Current Assets	$21,956	$20,743	$19,530	$18,317	$17,104	$15,891	$23,789	$22,576	$22,576	$22,576	$22,576	$22,576	$22,576
Total Current Assets	**$1.323M**	**$1.361M**	**$1.331M**	**$1.380M**	**$1.423M**	**$1.385M**	**$1.222M**	**$1.311M**	**$1.366M**	**$1.354M**	**$1.353M**	**$1.151M**	**$1.151M**
Fixed Assets	$21,503	$21,503	$21,503	$21,503	$46,166	$46,166	$46,166	$46,166	$46,166	$46,166	$46,166	$48,666	$48,666
Investments or Other Non-Current Assets	$165,836	$165,836	$165,836	$165,836	$165,836	$165,836	$165,836	$165,836	$165,836	$165,836	$165,836	$165,836	$165,836
Total Non-Current Assets	**$187,339**	**$187,339**	**$187,339**	**$187,339**	**$212,002**	**$212,002**	**$212,002**	**$212,002**	**$212,002**	**$212,002**	**$212,002**	**$214,502**	**$214,502**
Total Assets	**$1.510M**	**$1.548M**	**$1.518M**	**$1.567M**	**$1.635M**	**$1.597M**	**$1.434M**	**$1.523M**	**$1.578M**	**$1.566M**	**$1.565M**	**$1.365M**	**$1.365M**
LIABILITIES													
Accounts Payable	$107,727	$77,570	$79,417	$88,966	$92,465	$87,182	$88,433	$85,920	$76,373	$66,827	$57,280	$47,733	$47,733
Other Current Liabilities	$486,229	$505,678	$525,905	$546,941	$568,819	$591,572	$615,234	$639,844	$639,844	$639,844	$639,844	$639,844	$639,844
Total Current Liabilities	**$593,955**	**$583,248**	**$605,322**	**$635,907**	**$661,283**	**$678,754**	**$703,667**	**$725,764**	**$716,217**	**$706,671**	**$697,124**	**$687,577**	**$687,577**
Long Term Debt	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$0	$0	$0	$0	$0	$0	$0
Total Non-Current Liabilities	**$250,000**	**$250,000**	**$250,000**	**$250,000**	**$250,000**	**$250,000**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total Liabilities	**$843,955**	**$833,248**	**$855,322**	**$885,907**	**$911,283**	**$928,754**	**$703,667**	**$725,764**	**$716,217**	**$706,671**	**$697,124**	**$687,577**	**$687,577**
EQUITY													
Retained Earnings	$822,344	$871,171	$894,439	$912,440	$954,573	$974,193	$1,036,510	$1,103,623	$1,168,484	$1,165,982	$1,174,064	$984,002	$984,002
Other Equity	($156,333)	($156,333)	($231,333)	($231,333)	($231,333)	($306,333)	($306,333)	($306,333)	($306,333)	($306,333)	($306,333)	($306,333)	($306,333)
Total Equity	**$666,011**	**$714,838**	**$663,106**	**$681,107**	**$723,240**	**$667,860**	**$730,177**	**$797,290**	**$862,151**	**$859,649**	**$867,731**	**$677,669**	**$677,669**
Total Liabilities & Equity	**$1.510M**	**$1.548M**	**$1.518M**	**$1.567M**	**$1.635M**	**$1.597M**	**$1.434M**	**$1.523M**	**$1.578M**	**$1.566M**	**$1.565M**	**$1.365M**	**$1.365M**

Cash Flow by Month

CASH FLOW STATEMENT	Jan 2023	Feb 2023	Mar 2023	Apr 2023	May 2023	Jun 2023	Jul 2023	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Total
OPERATING ACTIVITIES													
Net Income	$48,833	$48,827	$23,268	$18,001	$42,133	$19,620	$62,317	$67,112	$64,861	($2,502)	$8,082	($190,062)	$210,491
Change in Accounts Payable	$25,796	($30,156)	$1,846	$9,549	$3,499	($5,282)	$1,250	($2,512)	($9,547)	($9,547)	($9,547)	($9,547)	($34,197)
Change in Other Current Liabilities	$18,701	$19,449	$20,227	$21,036	$21,878	$22,753	$23,663	$24,609	$0	$0	$0	$0	$172,316
Change in Accounts Receivable	($6,489)	($6,619)	($6,752)	($6,886)	($7,024)	($7,164)	($7,308)	($7,454)	$63,357	$63,357	$63,357	$63,357	$197,734
Change in Other Current Assets	($8,434)	$1,213	$1,213	$1,213	$1,213	$1,213	($7,898)	$1,213	$0	$0	$0	$0	($9,054)
Cash Flow from Operating Activities	**$78,408**	**$32,714**	**$39,802**	**$42,914**	**$61,699**	**$31,139**	**$72,025**	**$82,969**	**$118,671**	**$51,309**	**$61,893**	**($136,252)**	**$537,290**
INVESTING ACTIVITIES													
Change in Fixed Assets (ex. D&A)	$0	$0	$0	$0	($24,663)	$0	$0	$0	$0	$0	$0	($2,500)	($27,163)
Cash Flow from Investing Activities	**$0**	**$0**	**$0**	**$0**	**($24,663)**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**($2,500)**	**($27,163)**
FINANCING ACTIVITIES													
Change in Other Equity	$0	$0	($75,000)	$0	$0	($75,000)	$0	$0	$0	$0	$0	$0	($150,000)
Change in Earnings not attrib. to Ret. Inco...	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Change in unbalanced Balance Sheet	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Change in Long Term Debt	$0	$0	$0	$0	$0	$0	($250,000)	$0	$0	$0	$0	$0	($250,000)
Cash Flow from Financing Activities	**$0**	**$0**	**($75,000)**	**$0**	**$0**	**($75,000)**	**($250,000)**	**$0**	**$0**	**$0**	**$0**	**$0**	**($400,000)**
Change in Cash & Equivalents	**$78,408**	**$32,714**	**($35,198)**	**$42,914**	**$37,036**	**($43,861)**	**($177,975)**	**$82,969**	**$118,671**	**$51,309**	**$61,893**	**($138,752)**	**$110,128**
Cash & Equivalents, Opening Balance	$891,326	$969,734	$1,002,449	$967,251	$1,010,165	$1,047,200	$1,003,340	$825,364	$908,333	$1,027,004	$1,078,313	$1,140,206	$891,326
Cash & Equivalents, Closing Balance	$969,734	$1,002,449	$967,251	$1,010,165	$1,047,200	$1,003,340	$825,364	$908,333	$1,027,004	$1,078,313	$1,140,206	$1,001,454	$1,001,454

12 Month Forward Financials

PROFIT & LOSS	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Total
Revenue														
Initial App Subscriptions	$134,088	$134,034	$136,715	$139,449	$142,238	$155,446	$163,218	$171,379	$179,948	$188,946	$188,694	$201,902	$216,035	$2,152,092
App Renewals	$393,458	$393,301	$401,167	$409,190	$417,374	$456,130	$465,252	$474,557	$484,049	$493,730	$470,031	$479,431	$489,020	$5,826,687
Refunds	($10,551)	($10,547)	($10,758)	($10,973)	($11,193)	($12,233)	($12,570)	($12,919)	($13,280)	($13,654)	($13,175)	($13,627)	($14,101)	($159,581)
Total Revenue	**$516,995**	**$516,788**	**$527,123**	**$537,666**	**$548,419**	**$599,343**	**$615,901**	**$633,017**	**$650,716**	**$669,021**	**$645,549**	**$667,706**	**$690,954**	**$7,819,199**
Cost of Revenue														
Platform Fees	$147,343	$147,285	$150,230	$153,235	$156,299	$167,816	$172,452	$177,245	$182,201	$186,322	$179,785	$185,956	$186,558	$2,192,728
Hosting	$11,374	$11,369	$11,597	$11,829	$12,065	$13,186	$13,317	$13,451	$13,585	$13,721	$13,190	$13,322	$13,456	$165,462
Affiliate Fees	$2,585	$2,584	$2,636	$2,688	$2,742	$2,997	$3,080	$3,165	$3,254	$3,345	$3,228	$3,339	$3,455	$39,096
Total Cost of Revenue	**$161,302**	**$161,238**	**$164,462**	**$167,752**	**$171,107**	**$183,998**	**$188,849**	**$193,861**	**$199,039**	**$203,388**	**$196,204**	**$202,617**	**$203,468**	**$2,397,285**
Gross Profit Before Depreciation	**$355,692**	**$355,550**	**$362,661**	**$369,914**	**$377,312**	**$415,345**	**$427,052**	**$439,157**	**$451,677**	**$465,633**	**$449,345**	**$465,089**	**$487,486**	**$5,421,914**
Expenses														
Sales & Marketing Exp	$15,849	$15,050	$49,279	$34,944	$35,163	$28,806	$16,377	$14,634	$33,453	$21,724	$15,060	$15,659	$16,426	$312,424
Comp & Benefits	$205,014	$204,686	$245,053	$230,353	$452,124	$272,223	$272,776	$272,776	$294,851	$304,564	$286,849	$363,389	$333,989	$3,738,648
IT Expenses	$22,300	$19,634	$19,654	$22,681	$19,693	$22,183	$22,384	$22,587	$25,259	$22,998	$24,985	$23,839	$22,974	$291,169
Travel & Entertainment	$3,033	$579	$3,626	$8,445	$4,631	$2,097	$1,225	$5,093	$2,769	$664	$528	$1,861	$3,120	$37,669
Office Expenses	$619	$1,664	$768	$1,006	$6,351	$653	$795	$483	$547	$3,145	$1,838	$570	$622	$19,060
Professional Services	$7,204	$17,139	$12,100	$8,200	$7,708	$15,133	$19,428	$13,435	$41,871	$15,667	$14,203	$25,978	$12,686	$210,752
Facilities	$6,506	$6,365	$6,314	$6,321	$6,412	$6,724	$6,801	$6,887	$6,743	$6,832	$6,325	$6,319	$6,685	$85,233
Insurance	$2,023	$1,983	$4,923	$1,983	$1,983	$2,124	$2,124	$2,124	$2,124	$7,374	$1,983	$1,983	$1,983	$34,712
Professional Development	$214	$113	$92	$46	$158	$1,966	$2,817	$0	$378	$113	$75	$55	$251	$6,276
Other Operating Expenses	$1,988	$123	$0	$24,500	$9,800	$0	$0	$0	$0	$0	$0	$0	$0	$36,411
Product Development	$23,831	$23,354	$23,354	$23,354	$23,354	$14,333	$14,333	$22,208	$14,333	$14,333	$13,377	$18,277	$13,377	$241,817
Total Expenses	**$288,580**	**$290,689**	**$365,162**	**$361,832**	**$567,375**	**$366,243**	**$359,059**	**$360,227**	**$422,327**	**$397,413**	**$365,221**	**$457,929**	**$412,113**	**$5,014,171**
EBITDA	**$67,112**	**$64,861**	**($2,502)**	**$8,082**	**($190,062)**	**$49,102**	**$67,993**	**$78,930**	**$29,350**	**$68,219**	**$84,124**	**$7,160**	**$75,373**	**$407,743**
Net Income	**$67,112**	**$64,861**	**($2,502)**	**$8,082**	**($190,062)**	**$49,102**	**$67,993**	**$78,930**	**$29,350**	**$68,219**	**$84,124**	**$7,160**	**$75,373**	**$407,743**

BALANCE SHEET	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024
ASSETS													
Cash & Equivalents													
Cash	$908,333	$1,027,004	$1,078,313	$1,140,206	$1,001,454	$1,104,366	$1,223,670	$1,302,600	$1,331,950	$1,400,169	$1,484,293	$1,491,453	$1,566,826
Accounts Receivable													
Accounts Receivable	$380,143	$316,785	$253,428	$190,071	$126,714	$63,357	$0	$0	$0	$0	$0	$0	$0
Other Current Assets													
Prepaid Expenses	$14,676	$14,676	$14,676	$14,676	$14,676	$14,676	$14,676	$14,676	$14,676	$14,676	$14,676	$14,676	$14,676
Other Current Assets	$7,900	$7,900	$7,900	$7,900	$7,900	$7,900	$7,900	$7,900	$7,900	$7,900	$7,900	$7,900	$7,900
Total Other Current Assets	**$22,576**	**$22,576**	**$22,576**	**$22,576**	**$22,576**	**$22,576**	**$22,576**	**$22,576**	**$22,576**	**$22,576**	**$22,576**	**$22,576**	**$22,576**

	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024
Total Current Assets	**$1.311M**	**$1.366M**	**$1.354M**	**$1.353M**	**$1.151M**	**$1.190M**	**$1.246M**	**$1.325M**	**$1.355M**	**$1.423M**	**$1.507M**	**$1.514M**	**$1.589M**
Fixed Assets													
Computer Hardware	$36,316	$36,316	$36,316	$36,316	$38,816	$38,816	$41,316	$41,316	$41,316	$41,316	$41,316	$41,316	$41,316
Furniture & Fixtures	$20,156	$20,156	$20,156	$20,156	$20,156	$20,156	$20,156	$20,156	$20,156	$20,156	$20,156	$20,156	$20,156
Accumulated Depreciation	($10,306)	($10,306)	($10,306)	($10,306)	($10,306)	($10,306)	($10,306)	($10,306)	($10,306)	($10,306)	($10,306)	($10,306)	($10,306)
Total Fixed Assets	**$46,166**	**$46,166**	**$46,166**	**$46,166**	**$48,666**	**$48,666**	**$51,166**	**$51,166**	**$51,166**	**$51,166**	**$51,166**	**$51,166**	**$51,166**
Investments or Other Non-Current Assets													
Goodwill	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000
Security Deposits	$15,836	$15,836	$15,836	$15,836	$15,836	$15,836	$15,836	$15,836	$15,836	$15,836	$15,836	$15,836	$15,836
Total Investments or Other NCAs	**$165,836**	**$165,836**	**$165,836**	**$165,836**	**$165,836**	**$165,836**	**$165,836**	**$165,836**	**$165,836**	**$165,836**	**$165,836**	**$165,836**	**$165,836**
Total Non-Current Assets	**$212,002**	**$212,002**	**$212,002**	**$212,002**	**$214,502**	**$214,502**	**$217,002**	**$217,002**	**$217,002**	**$217,002**	**$217,002**	**$217,002**	**$217,002**
Total Assets	**$1.523M**	**$1.578M**	**$1.566M**	**$1.565M**	**$1.365M**	**$1.405M**	**$1.463M**	**$1.542M**	**$1.572M**	**$1.640M**	**$1.724M**	**$1.731M**	**$1.806M**
LIABILITIES													
Accounts Payable													
Accounts Payable	$28,640	$28,640	$28,640	$28,640	$28,640	$28,640	$28,640	$28,640	$28,640	$28,640	$28,640	$28,640	$28,640
Credit Cards	$57,280	$47,733	$38,187	$28,640	$19,093	$9,547	$0	$0	$0	$0	$0	$0	$0
Total Accounts Payable	**$85,920**	**$76,373**	**$66,827**	**$57,280**	**$47,733**	**$38,187**	**$28,640**	**$28,640**	**$28,640**	**$28,640**	**$28,640**	**$28,640**	**$28,640**
Other Current Liabilities													
Deferred Revenue	$639,844	$639,844	$639,844	$639,844	$639,844	$639,844	$639,844	$639,844	$639,844	$639,844	$639,844	$639,844	$639,844
Total Current Liabilities	**$725,764**	**$716,217**	**$706,671**	**$697,124**	**$687,577**	**$678,030**	**$668,484**	**$668,484**	**$668,484**	**$668,484**	**$668,484**	**$668,484**	**$668,484**
Total Non-Current Liabilities	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Total Liabilities	**$725,764**	**$716,217**	**$706,671**	**$697,124**	**$687,577**	**$678,030**	**$668,484**	**$668,484**	**$668,484**	**$668,484**	**$668,484**	**$668,484**	**$668,484**
EQUITY													
Retained Earnings													
Retained Earnings	$1,103,623	$1,168,484	$1,165,982	$1,174,064	$984,002	$1,033,104	$1,101,097	$1,180,027	$1,209,377	$1,277,596	$1,361,720	$1,368,880	$1,444,253
Other Equity													
Partner Contributions	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000	$250,000
Partner Distributions	($556,333)	($556,333)	($556,333)	($556,333)	($556,333)	($556,333)	($556,333)	($556,333)	($556,333)	($556,333)	($556,333)	($556,333)	($556,333)
Total Other Equity	**($306,333)**	**($306,333)**	**($306,333)**	**($306,333)**	**($306,333)**	**($306,333)**	**($306,333)**	**($306,333)**	**($306,333)**	**($306,333)**	**($306,333)**	**($306,333)**	**($306,333)**
Total Equity	**$797,290**	**$862,151**	**$859,649**	**$867,731**	**$677,669**	**$726,771**	**$794,764**	**$873,694**	**$903,044**	**$971,263**	**$1.055M**	**$1.063M**	**$1.138M**
Total Liabilities & Equity	**$1.523M**	**$1.578M**	**$1.566M**	**$1.565M**	**$1.365M**	**$1.405M**	**$1.463M**	**$1.542M**	**$1.572M**	**$1.640M**	**$1.724M**	**$1.731M**	**$1.806M**

CASH FLOW STATEMENT	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Total
OPERATING ACTIVITIES														
Net Income	$67,112	$64,861	($2,502)	$8,082	($190,062)	$49,102	$67,993	$78,930	$29,350	$68,219	$84,124	$7,160	$75,373	$407,743
Change in Accounts Payable	($2,512)	($9,547)	($9,547)	($9,547)	($9,547)	($9,547)	($9,547)	$0	$0	$0	$0	$0	$0	($59,793)
Change in Other Current Liabilities	$24,609	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$24,609

	Aug 2023	Sep 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024	Apr 2024	May 2024	Jun 2024	Jul 2024	Aug 2024	Total
Change in Accounts Receivable	($7,454)	$63,357	$63,357	$63,357	$63,357	$63,357	$63,357	$0	$0	$0	$0	$0	$0	$372,689
Change in Other Current Assets	$1,213	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$1,213
Cash Flow from Operating Activities	**$82,969**	**$118,671**	**$51,309**	**$61,893**	**($136,252)**	**$102,912**	**$121,803**	**$78,930**	**$29,350**	**$68,219**	**$84,124**	**$7,160**	**$75,373**	**$746,461**
INVESTING ACTIVITIES														
Change in Fixed Assets (ex. Depn and Amort)	$0	$0	$0	$0	($2,500)	$0	($2,500)	$0	$0	$0	$0	$0	$0	($5,000)
Cash Flow from Investing Activities	**$0**	**$0**	**$0**	**$0**	**($2,500)**	**$0**	**($2,500)**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**($5,000)**
FINANCING ACTIVITIES														
Change in unbalanced Balance Sheet	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0	$0
Cash Flow from Financing Activities	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**	**$0**
Change in Cash & Equivalents	**$82,969**	**$118,671**	**$51,309**	**$61,893**	**($138,752)**	**$102,912**	**$119,303**	**$78,930**	**$29,350**	**$68,219**	**$84,124**	**$7,160**	**$75,373**	**$741,461**
Cash & Equivalents, Opening Balance	$825,364	$908,333	$1,027,004	$1,078,313	$1,140,206	$1,001,454	$1,104,366	$1,223,670	$1,302,600	$1,331,950	$1,400,169	$1,484,293	$1,491,453	$825,364
Cash & Equivalents, Closing Balance	$908,333	$1,027,004	$1,078,313	$1,140,206	$1,001,454	$1,104,366	$1,223,670	$1,302,600	$1,331,950	$1,400,169	$1,484,293	$1,491,453	$1,566,826	$1,566,826

Annual Financials 2022A-2026P

PROFIT & LOSS	2022	2023	2024	2025	2026
Revenue					
Initial App Subscriptions	$1,234,476	$1,554,339	$2,507,191	$5,049,284	$6,512,216
App Renewals	$3,555,389	$4,560,944	$5,868,058	$7,442,116	$9,438,402
Refunds	($95,804)	($122,312)	($167,512)	($249,835)	($319,018)
Total Revenue	**$4,694,061**	**$5,992,972**	**$8,207,737**	**$12,241,565**	**$15,631,600**
Cost of Revenue					
Platform Fees	$1,408,218	$1,722,193	$2,257,928	$3,305,222	$4,125,173
Hosting	$103,269	$131,845	$164,048	$269,314	$343,895
Affiliate Fees	$23,470	$29,965	$41,039	$61,208	$78,158
Total Cost of Revenue	**$1,534,958**	**$1,884,003**	**$2,463,015**	**$3,635,745**	**$4,547,226**
Gross Profit	**$3,159,103**	**$4,108,969**	**$5,744,722**	**$8,605,820**	**$11,084,374**
Gross Profit Margin (%)	**67.30%**	**68.56%**	**69.99%**	**70.30%**	**70.91%**
Expenses					
Sales & Marketing Exp	$179,300	$275,328	$237,556	$398,174	$385,121
Comp & Benefits	$1,616,498	$2,736,366	$4,082,417	$5,107,979	$5,939,876
IT Expenses	$176,131	$249,172	$282,676	$360,765	$410,724
Travel & Entertainment	$18,368	$33,442	$35,305	$36,808	$38,386
Office Expenses	$18,791	$22,847	$14,628	$16,868	$19,753
Professional Services	$166,989	$158,387	$236,561	$269,739	$224,211
Facilities	$68,664	$73,599	$79,958	$84,007	$87,444
Insurance	$29,667	$31,054	$35,629	$40,801	$49,326
Professional Development	$4,105	$4,918	$6,145	$7,373	$8,848
Other Operating Expenses	$19,625	$46,942	$63,823	$93,171	$122,500
Product Development	$178,922	$241,424	$178,077	$129,246	$215,521
Depreciation & Amort	$4,053	$0	$0	$0	$0
Total Expenses	**$2,481,114**	**$3,873,478**	**$5,252,773**	**$6,544,931**	**$7,501,710**
EBITDA	**$677,989**	**$235,491**	**$491,949**	**$2,060,889**	**$3,582,664**
EBITDA Margin (%)	**14.44%**	**3.93%**	**5.99%**	**16.84%**	**22.92%**
Interest Expenses					
Interest Expense	$0	$25,000	$0	$0	$0
Earnings Before Tax	**$677,989**	**$210,491**	**$491,949**	**$2,060,889**	**$3,582,664**
Net Income	**$677,989**	**$210,491**	**$491,949**	**$2,060,889**	**$3,582,664**
Net Income Margin (%)	**14.44%**	**3.51%**	**5.99%**	**16.84%**	**22.92%**

BALANCE SHEET	2022	2023	2024	2025	2026
ASSETS					
Cash & Equivalents					
Cash	$891,326	$1,001,454	$1,598,523	$3,659,412	$7,242,076
Accounts Receivable					
Accounts Receivable	$324,448	$126,714	$0	$0	$0
Other Current Assets					
Prepaid Expenses	$7,292	$14,676	$14,676	$14,676	$14,676
Other Current Assets	$6,230	$7,900	$7,900	$7,900	$7,900
Total Other Current Assets	**$13,522**	**$22,576**	**$22,576**	**$22,576**	**$22,576**
Total Current Assets	**$1,229,297**	**$1,150,744**	**$1,621,099**	**$3,681,988**	**$7,264,652**

	2022	2023	2024	2025	2026
Fixed Assets					
Computer Hardware	$19,653	$38,816	$41,316	$41,316	$41,316
Furniture & Fixtures	$12,156	$20,156	$20,156	$20,156	$20,156
Accumulated Depreciation	($10,306)	($10,306)	($10,306)	($10,306)	($10,306)
Total Fixed Assets	**$21,503**	**$48,666**	**$51,166**	**$51,166**	**$51,166**
Investments or Other NCAs					
Goodwill	$150,000	$150,000	$150,000	$150,000	$150,000
Security Deposits	$15,836	$15,836	$15,836	$15,836	$15,836
Total Investments or Other NCAs	**$165,836**	**$165,836**	**$165,836**	**$165,836**	**$165,836**
Total Non-Current Assets	**$187,339**	**$214,502**	**$217,002**	**$217,002**	**$217,002**
Total Assets	**$1,416,636**	**$1,365,246**	**$1,838,101**	**$3,898,990**	**$7,481,654**
LIABILITIES					
Accounts Payable					
Accounts Payable	$27,310	$28,640	$28,640	$28,640	$28,640
Credit Cards	$54,620	$19,093	$0	$0	$0
Total Accounts Payable	**$81,930**	**$47,733**	**$28,640**	**$28,640**	**$28,640**
Other Current Liabilities					
Deferred Revenue	$467,528	$639,844	$639,844	$639,844	$639,844
Total Current Liabilities	**$549,458**	**$687,577**	**$668,484**	**$668,484**	**$668,484**
Long Term Debt					
Note Payable	$250,000	$0	$0	$0	$0
Total Non-Current Liabilities	**$250,000**	**$0**	**$0**	**$0**	**$0**
Total Liabilities	**$799,458**	**$687,577**	**$668,484**	**$668,484**	**$668,484**
EQUITY					
Retained Earnings					
Retained Earnings	$773,511	$984,002	$1,475,951	$3,536,839	$7,119,503
Other Equity					
Partner Contributions	$250,000	$250,000	$250,000	$250,000	$250,000
Partner Distributions	($406,333)	($556,333)	($556,333)	($556,333)	($556,333)
Total Other Equity	**($156,333)**	**($306,333)**	**($306,333)**	**($306,333)**	**($306,333)**
Total Equity	**$617,178**	**$677,669**	**$1,169,618**	**$3,230,506**	**$6,813,170**
Total Liabilities & Equity	**$1,416,636**	**$1,365,246**	**$1,838,101**	**$3,898,990**	**$7,481,654**

CASH FLOW STATEMENT	2021	2022	2023	2024	2025	2026	Total
OPERATING ACTIVITIES							
Net Income	-	$677,989	$210,491	$491,949	$2,060,889	$3,582,664	$7,023,981
Depreciation & Amortisation	-	$4,053	$0	$0	$0	$0	$4,053
Change in Deferred Taxes	-	-	$0	$0	$0	$0	$0
Change in Accounts Payable	-	-	($34,197)	($19,093)	$0	$0	($53,290)
Change in Other Current Liabilities	-	-	$172,316	$0	$0	$0	$172,316
Change in Tax Liability	-	-	$0	$0	$0	$0	$0
Change in Accounts Receivable	-	-	$197,734	$126,714	$0	$0	$324,448
Change in Inventory	-	-	$0	$0	$0	$0	$0
Change in Work In Progress	-	-	$0	$0	$0	$0	$0
Change in Other Current Assets	-	-	($9,054)	$0	$0	$0	($9,054)
Cash Flow from Operating Activities	**-**	**-**	**$537,290**	**$599,569**	**$2,060,889**	**$3,582,664**	**$6,780,412**
INVESTING ACTIVITIES							
Change in Fixed Assets (ex. D&A)	-	-	($27,163)	($2,500)	$0	$0	($29,663)
Change in Intangible Assets	-	-	$0	$0	$0	$0	$0
Change in Investments or Other NCAs	-	-	$0	$0	$0	$0	$0
Cash Flow from Investing Activities	**-**	**-**	**($27,163)**	**($2,500)**	**$0**	**$0**	**($29,663)**

	2021	2022	2023	2024	2025	2026	Total
FINANCING ACTIVITIES							
Change in Other Equity	-	-	($150,000)	$0	$0	$0	($150,000)
Change in Earnings not attrib. to Ret. ...	-	-	$0	$0	$0	$0	$0
Change in unbalanced Balance Sheet	-	-	$0	$0	$0	$0	$0
Dividends	-	$0	$0	$0	$0	$0	$0
Change in Short Term Debt	-	-	$0	$0	$0	$0	$0
Change in Long Term Debt	-	-	($250,000)	$0	$0	$0	($250,000)
Change in Other Non-Current Liabilities	-	-	$0	$0	$0	$0	$0
Cash Flow from Financing Activities	**-**	**-**	**($400,000)**	**$0**	**$0**	**$0**	**($400,000)**
Change in Cash & Equivalents	**-**	**-**	**$110,128**	**$597,069**	**$2,060,889**	**$3,582,664**	**$6,350,749**
Cash & Equivalents, Opening Balance	-	-	$891,326	$1,001,454	$1,598,523	$3,659,412	-
Cash & Equivalents, Closing Balance	-	-	$1,001,454	$1,598,523	$3,659,412	$7,242,076	$7,242,076

Basis of Preparation

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