

SAMPLE INVESTOR UPDATE REPORT FOR "ACME SaaS StartUp LLC"

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ACME SaaS StartUp LLC

Q1 2021 Investor Update

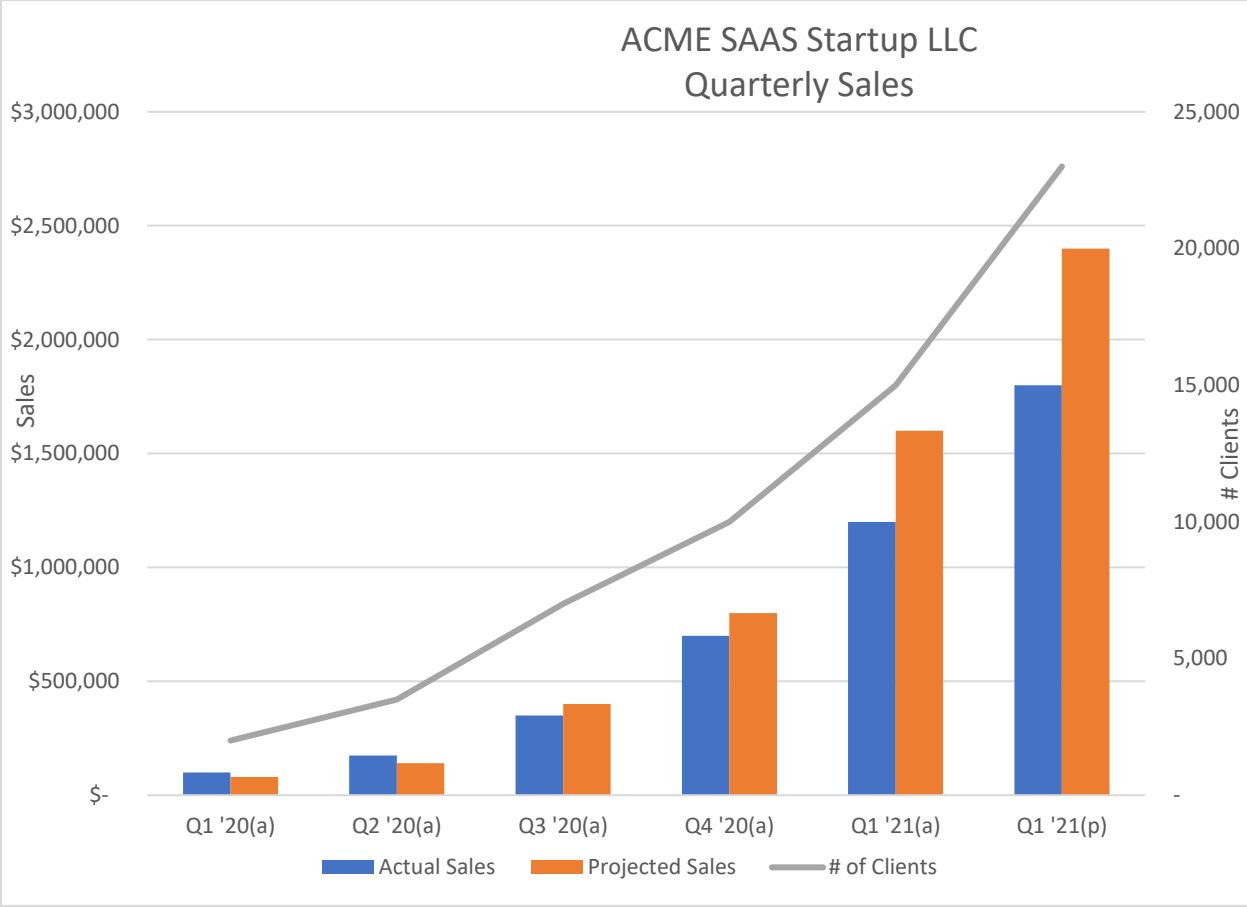
Summary (TLDR)

We feel good about where the business is heading. We have had a few setbacks (see Team section), but our product continues to gain subscribers on a month-over-month basis. We closed our seed round in May, which should provide us with enough capital for at least 18 months before we need to hit the capital markets again.

KPI & Metrics

	Q1 '20(a)	Q2 '20(a)	Q3 '20(a)	Q4 '20(a)	Q1 '21(a)	Q1 '21(p)
Actual Sales	\$ 100,000	\$ 175,000	\$ 350,000	\$ 700,000	\$ 1,200,000	\$ 1,800,000
Projected Sales	\$ 80,000	\$ 140,000	\$ 400,000	\$ 800,000	\$ 1,600,000	\$ 2,400,000
# of Clients	2,000	3,500	7,000	10,000	15,000	23,000
ARPU	50	50	50	70	80	78
Monthly churn (avg)	2.0%	2.4%	3.2%	2.8%	2.6%	2.7%
CAC	1,000	1,200	1,000	900	700	600
LTV	2,500	2,083	1,563	2,500	3,077	2,899
LTV/CAC	2.5	1.7	1.6	2.8	4.4	4.8
Affiliates enrolled	3	6	10	15	30	48
APIs integrated	10	20	50	100	300	700

We are pleased with how our business is trending. We have been able to reduce customer acquisition cost (CAC) from \$1,000 a year ago down to \$700 last quarter by better paid ad monitoring. We also are thrilled to have tripled the number of APIs we integrate with, which will provide tremendous sales and channel opportunities in the coming quarters.



Product Development

- Version 1.3 was released two weeks ago, which included many bug fixes
- Our enterprise version will be available Q4 barring any major setbacks
- We have added many functionality requests to our product roadmap based on customer feedback, but we will not bore you with all the details. The most noticeable major enhancement is our collaboration feature, which should roll out in Q3.

Team

- We added seven new hires in Q2; total FTEs stands at 25 (15 in the U.S. and 10 overseas).
- We lost Johnny Goner, our CTO, who decided to go back to work for BigCo. He thought it was a good idea to take three of our best software engineers with him. We are actively looking for replacements for these folks.
- We added Sally Warbucks as our CFO in Q2, and she was very helpful in closing out our round. Sally will be your point of contact for investor relations going forward. Email Sally at sally@acmesaasstartup.llc for any investor related questions. Find Sally's [LinkedIn profile here](#) and see her [full bio on our website here](#). Please join us in welcoming Sally to the team!

Financial Data

Financial statements (balance sheet and income statement) for the quarter are included in the Appendix. We also included 2020 quarterly numbers, 2021 projections, and 2020 annual versus budgeted projections.

Because of the sensitivity of the financial statements, we only provide detailed financial statements to Major Investors (as defined by our Operating agreement and Subscription documents).

Snapshot of recent financial performance:

	Q1 '20(a)	Q2 '20(a)	Q3 '20(a)	Q4 '20(a)	Q1 '21(a)	Q1 '21(p)
Sales	100,000	175,000	350,000	700,000	1,200,000	1,800,000
<i>Qtr over Qtr Growth</i>		75.00%	100.00%	100.00%	71.43%	50.00%
Gross profit	40,000	55,000	135,000	200,000	350,000	650,000
<i>GP %</i>	40%	31%	39%	29%	29%	36%
Overhead	300,000	500,000	725,000	900,000	1,400,000	2,000,000
EBITDA	(240,000)	(380,000)	(510,000)	(400,000)	(550,000)	(850,000)
Ending Cash Position	1,800,000	2,100,000	3,500,000	4,200,000	6,000,000	4,000,000
Runway (months)	8	6	7	11	11	5

Challenges

The major challenges we faced this quarter where:

- Losing CTO Goner and other key staff. Don't worry, we will find suitable replacements.
- Scaling – We have had a few growing pains related to the opening of our call center, but that is to be expected with a company growing this fast.
- Competition – Our biggest competitor – Evil Empire – lowered their prices 25%. We think their product is inferior to ours, so we are holding our line on pricing. However, we will closely monitor the situation and adjust as necessary if we see market share slip materially in the coming quarters.

Asks

Please help us with the following if you can:

- New hires – We have 15 openings. Please share our openings with your friends, colleagues, and social media accounts.
- We would love to have a few intros to CTOs of Fortune 1,000 companies to discuss our enterprise software. If you have any contacts there, we'd love to hear from you.
- Please like our posts on social media. It really helps us get the word out.

Miscellaneous

- We will be attending the Microsoft Who's Who trade show in Vegas next month.
- Read the [Wall Street Journal story here](#) about us and how we are conquering the world.

Questions

Let us know if you have any questions we can answer by emailing me at ceo@acmesaasstartup.llc or sally@acmesaasstartup.llc. Because our cap table is so large and our business is growing so rapidly, we ask for patience in replying.

APPENDIX

INCOME STATEMENTS

	<u>Q1 '20</u>	<u>Q2 '20</u>	<u>Q3 '20</u>	<u>Q4 '20</u>	<u>Q1 '21</u>
Ordinary Income/Expense					
Income					
Discounts	-	-	-	(12)	-
Landscaping Services	960	5,488	4,487	9,746	5,488
Retail Sales	-	31	164	13	31
Service	-	-	485	1,028	-
Total Income	<u>960</u>	<u>5,519</u>	<u>5,136</u>	<u>10,776</u>	<u>5,519</u>
Cost of Goods Sold					
Cost of Goods Sold	-	329	1,216	987	329
Total COGS	<u>-</u>	<u>329</u>	<u>1,216</u>	<u>987</u>	<u>329</u>
Gross Profit	960	5,189	3,920	9,789	5,189
Expense					
Payroll Expenses	-	34,704	-	39,196	34,704
Advertising	-	-	-	-	-
Automobile	99	311	330	335	311
Bank Service Charges	-	77	77	77	77
Delivery Fee	-	-	-	50	-
Depreciation	575	-	-	-	-
Insurance	-	-	-	200	-
Interest Expense	138	334	381	285	334
Job Expenses	-	-	1,150	469	-
Mileage Reimbursement	-	-	(7)	-	-
Miscellaneous	-	-	-	-	-
Office Supplies	-	-	-	26	-
Professional Fees	-	-	-	-	-
Rent	-	-	-	-	-
Repairs	175	-	-	-	-
Utilities	126	669	656	690	669
Total Expense	<u>1,113</u>	<u>36,094</u>	<u>2,587</u>	<u>41,327</u>	<u>36,094</u>
Net Income	<u>(153)</u>	<u>(30,904)</u>	<u>1,333</u>	<u>(31,538)</u>	<u>(30,904)</u>

BALANCE SHEETS

	<u>Q1 '20</u>	<u>Q2 '20</u>	<u>Q3 '20</u>	<u>Q4 '20</u>	<u>Q1 '21</u>
ASSETS					
Checking	99,250	99,250	99,250	99,250	99,250
Savings	5,988	5,988	5,988	5,988	5,988
Total Checking/Savings	<u>105,463</u>	<u>105,463</u>	<u>105,463</u>	<u>105,463</u>	<u>105,463</u>
Accounts Receivable	35,810	35,810	35,810	35,810	35,810
Total Accounts Receivable	<u>35,810</u>	<u>35,810</u>	<u>35,810</u>	<u>35,810</u>	<u>35,810</u>
Other Current Assets					
Prepaid Insurance	500	500	500	500	500
Undeposited Funds	110	110	110	110	110
Total Other Current Assets	<u>7,647</u>	<u>7,647</u>	<u>7,647</u>	<u>7,647</u>	<u>7,647</u>
Total Current Assets	<u>148,920</u>	<u>148,920</u>	<u>148,920</u>	<u>148,920</u>	<u>148,920</u>
Truck	12,025	12,025	12,025	12,025	12,025
Total Fixed Assets	<u>12,025</u>	<u>12,025</u>	<u>12,025</u>	<u>12,025</u>	<u>12,025</u>
TOTAL ASSETS	<u>160,945</u>	<u>160,945</u>	<u>160,945</u>	<u>160,945</u>	<u>160,945</u>
LIABILITIES & EQUITY					
Accounts Payable	2,579	2,579	2,579	2,579	2,579
Total Accounts Payable	<u>2,579</u>	<u>2,579</u>	<u>2,579</u>	<u>2,579</u>	<u>2,579</u>
CalOil Card	1,404	1,404	1,404	1,404	1,404
QuickBooks Credit Card	70	70	70	70	70
Total Credit Cards	<u>1,474</u>	<u>1,474</u>	<u>1,474</u>	<u>1,474</u>	<u>1,474</u>
Other Current Liabilities					
Payroll Liabilities	5,520	5,520	5,520	5,520	5,520
Sales Tax Payable	2,087	2,087	2,087	2,087	2,087
Total Other Current Liabilities	<u>6,087</u>	<u>6,087</u>	<u>6,087</u>	<u>6,087</u>	<u>6,087</u>
Total Current Liabilities	<u>10,140</u>	<u>10,140</u>	<u>10,140</u>	<u>10,140</u>	<u>10,140</u>
Long Term Liabilities					
Bank Loan	5,369	5,369	5,369	5,369	5,369
Total Long Term Liabilities	<u>29,213</u>	<u>29,213</u>	<u>29,213</u>	<u>29,213</u>	<u>29,213</u>
Total Liabilities	<u>39,353</u>	<u>39,353</u>	<u>39,353</u>	<u>39,353</u>	<u>39,353</u>
Equity					
Owner's Equity	146,970	146,970	146,970	146,970	146,970
Retained Earnings	-40,119	-40,119	-40,119	-40,119	-40,119
Net Income	14,741	14,741	14,741	14,741	14,741
Total Equity	<u>121,592</u>	<u>121,592</u>	<u>121,592</u>	<u>121,592</u>	<u>121,592</u>
TOTAL LIABILITIES & EQUITY	<u>160,945</u>	<u>160,945</u>	<u>160,945</u>	<u>160,945</u>	<u>160,945</u>