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Board Pack

Strictly Confidential.



Agenda

- 1. CEO Update**
- 2. Successes & Challenges**
- 3. Performance & Key Metrics**
- 4. Financials**
- 5. Talent & Team**
- 6. Product & Tech**
- 7. Formal Decisions, AOB**

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CEO Update

CEO Update



Business Performance

1. Reached **258** paying customers by end of Q1.
2. **£21,429** MRR in July (+4.7% since Q1)
3. CAC **8.9%** since Q1



Product

1. Launched new website design in July.
2. Updated mobile platform integrations.



Market changes

Star Corp. has entered Tier 2 market and taken 2.7% market share in last 6 months.



Operations

1. Hired CTO.
2. Marketing lead departed.
3. Transitioned to remote working permanently.



Financials

1. Current Cash burn is **£12,411** per month.
2. Current runway is 13 months.



Current Priorities

1. Implement new pricing strategy.
2. 10% increase in customers opting for annual subscription.
3. Raise £500K to increase runway by 12 months.
4. Hire a full stack engineer.

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Successes & Challenges

Successes



We reached audiences in 7 different countries

1. New customers in UAE and Turkey due to partnership with x company.
2. Additional validation for x proposal.



Increased focus on channel x for acquisition resulting 12% reduced CAC.

1. Reduced reliance on Facebook.
2. Better spread channel reliance will make our growth strategy more robust in 2021.



Press release in major UK broadsheet

1. Double spread interview with founder in x newspaper with readership.
2. Builds credibility before upcoming release.



Saved £x/month by shifting to permanent remote working

Allowed us to delay fundraising by x months to channel resources into website launch.

Challenges



Talks with x big player about strategic partnership fell through in final stage.

1. Talks with x were in final stages.
2. Looking at how to refine closing technique etc.



Preponderance of one-time fee rather than annual subscription model reduced runway by 1 month.

1. x% of customers opt for one-time fee with average LTV of £x
2. Compared to annual subscription at £x, average LTV of £x
3. Change to pricing strategy did not alter this.



Struggling to make tech hires with sufficient knowledge and experience.

1. Despite use of recruitment agencies.
2. Considering outsourcing to x as stop-gap.



Distinguishing our product from competitor X in X market.

1. Competitor X has entered French market.
2. Sales in France fell x%
3. Brand marketing activities have failed to mitigate effects.

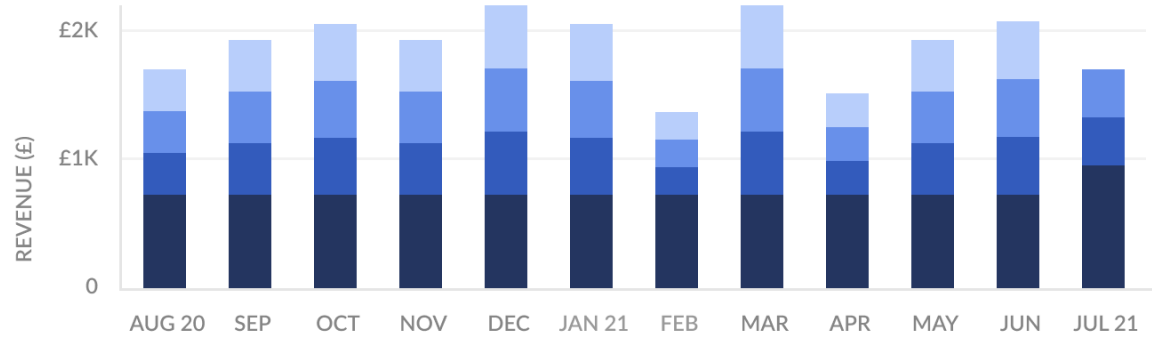
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Performance & Metrics

Performance & Metrics

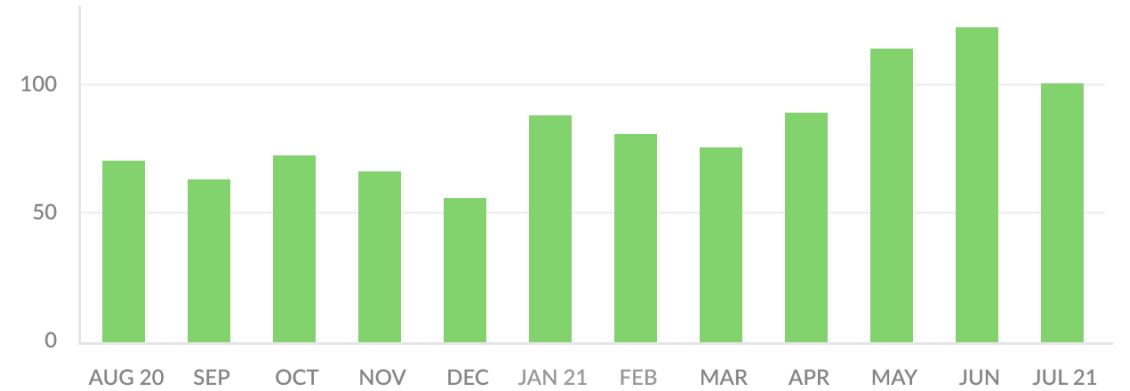
Revenue

- Revenue: Hardware actuals
- Revenue: Software actuals
- Revenue: Funded development actuals
- Revenue: Licenses actuals



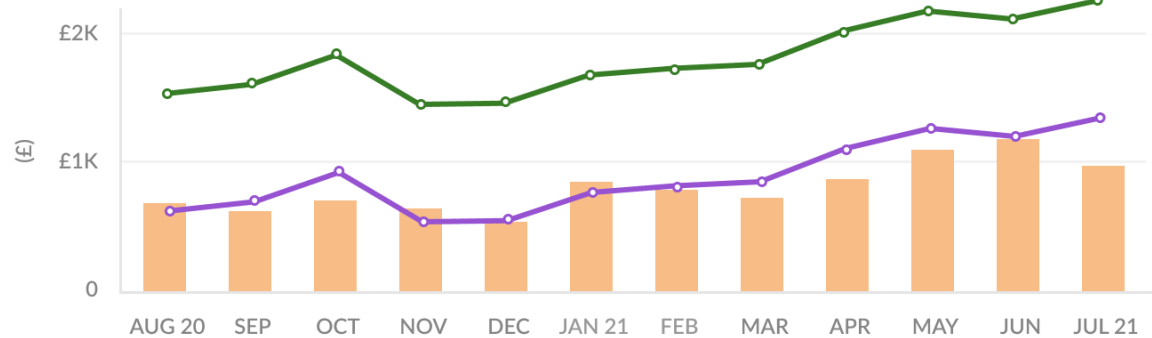
New Customers acquired

- New Customers invoiced



Customer Acquisition Cost vs Lifetime Value

- CAC: Actual, 3 month avg.
- LTV: Revenue only
- LTV: Fully Loaded



Comments about top KPIs

- Vestibulum vitae lacus eget tellus pellentesque feugiat. Phasellus a turpis non nibh placerat mattis at id ex.
- Nam placerat nunc nec arcu ullamcorper tristique. Quisque nec metus id urna tempor sodales. Proin tincidunt libero nec luctus suscipit. Praesent vulputate dapibus magna quis ultrices.
- Nunc egestas nisi sem, eu luctus nunc luctus at.
- Pellentesque ut nisi tincidunt, vehicula mi pulvinar, bibendum mauris. Pellentesque aliquam nunc dui, in semper ex rhoncus id.

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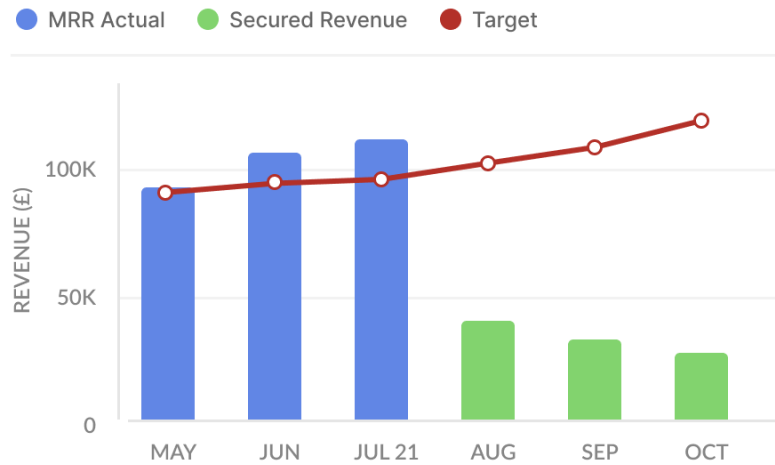
Sales

Comments about Sales

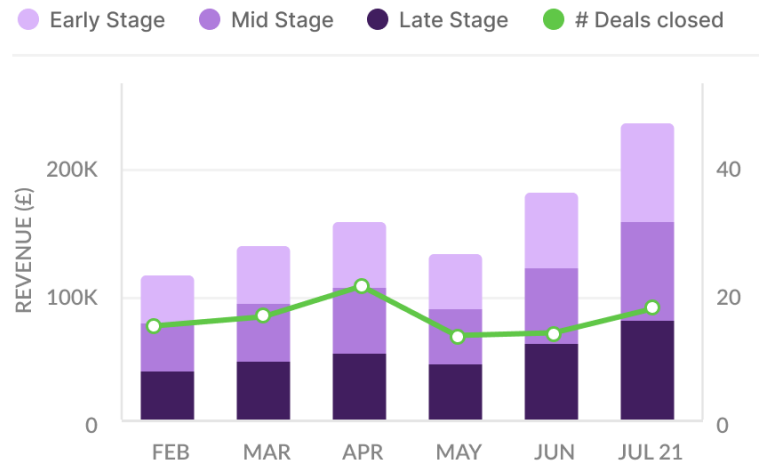
- Curabitur arcu ex, pharetra quis sem non, placerat consectetur nulla. Nulla nec sodales est, sed commodo mauris. Fusce ante nisl, ultricies nec lectus non, congue malesuada est.
- Vivamus ut lacus non purus euismod consectetur id. Curabitur rhoncus sollicitudin massa, a efficitur quam mattis quis.
- Dapibus nec convallis in, consectetur sit amet odio. Cras semper ex ac ullamcorper viverra. Maecenas imperdiet, metus at fermentum tempor, lectus tortor sodales augue.

Customer name	Contract Value	Date contract signed	Contract length
Labdrill	£ 60,000	4 July 2021	24 months
Donquadtech	£ 52,000	12 July 2021	24 months
Xx-zobam	£ 37,000	14 July 2021	12 months
Sumace	£ 35,000	7 July 2021	12 months
Doncon	£ 35,000	8 July 2021	12 months
Zencorporation	£ 30,000	8 July 2021	12 months
J-Texon	£ 30,000	12 July 2021	12 months
Dalttechnology	£ 30,000	15 July 2021	12 months
Zoomit	£ 12,000	4 July 2021	3 months
Scottech	£ 12,000	17 July 2021	3 months
Plusstrip	£ 6,000	12 July 2021	1 month
Ontomedia	£ 6,000	26 July 2021	1 month

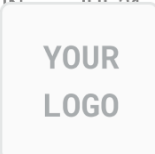
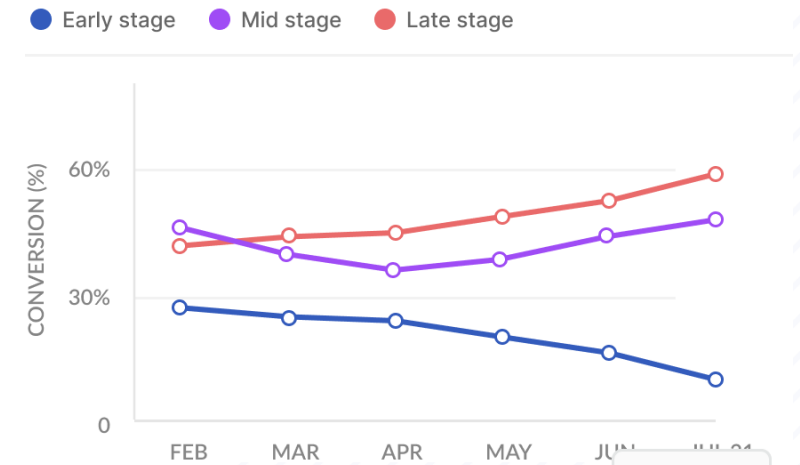
Sales vs target



Sales Pipeline: Number of deals

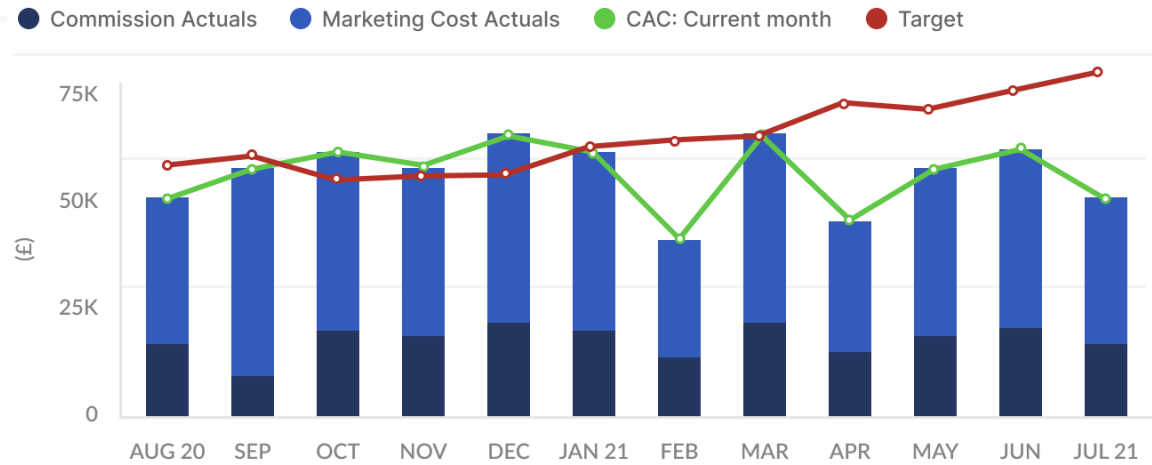


Sales Pipeline: Conversion

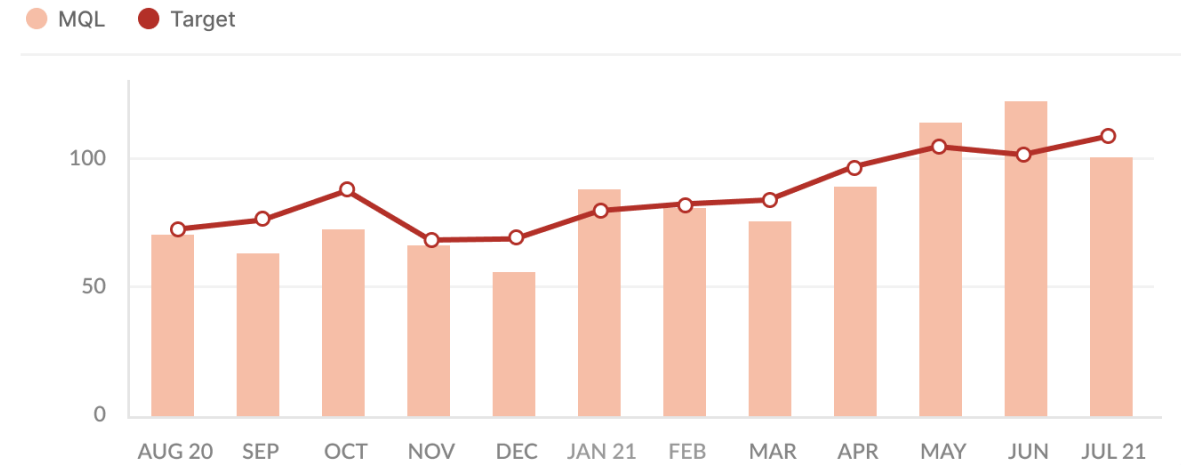


Marketing

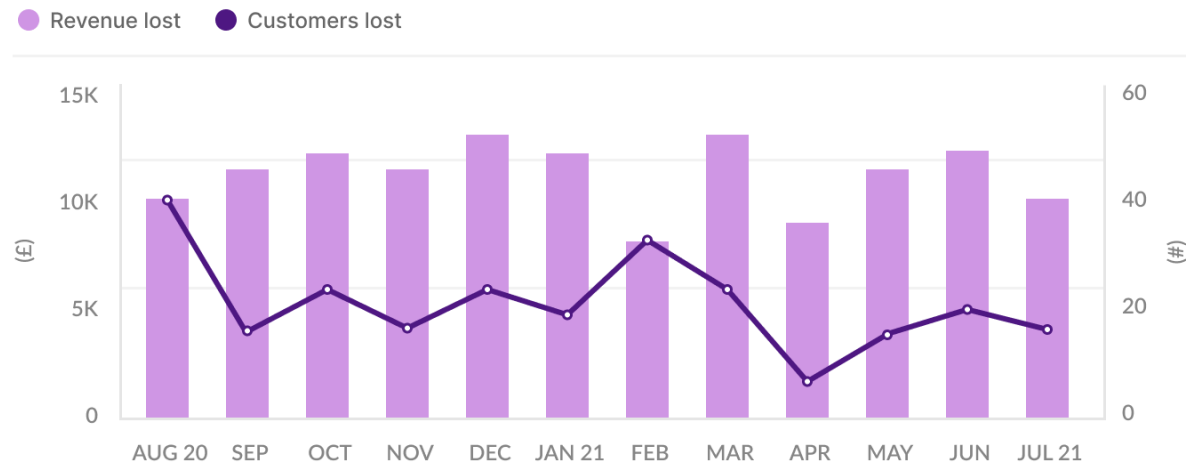
CAC Components



MQLs

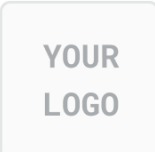


Churn: Revenue and Customers lost



Comments about Marketing

- Morbi mattis ante id ipsum viverra tristique. Phasellus bibendum lacus ligula, eu tincidunt metus lobortis ut. Maecenas sagittis sem ac ultrices sollicitudin.
- Curabitur metus tellus, accumsan sed est nec, blandit ullamcorper enim. Morbi ultrices ultrices turpis, vel volutpat tellus consectetur mollis. Aliquam porta urna ut dignissim congue. Fusce interdum ante ex, at tristique odio faucibus ut.
- Fusce id nisl ut mauris consectetur iaculis id sed risus. Praesent ac tortor eros. Proin dignissim ut urna ut ultricies.



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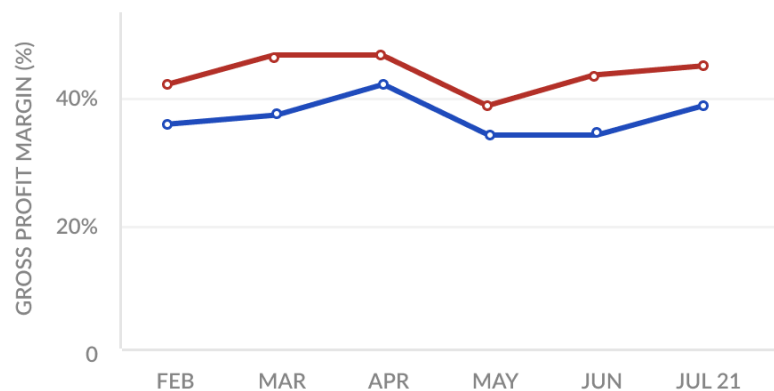
Financials

Profit and Loss

	Actual May '21	Budget May '21	Prior year May '20	Variance to Budget	Variance to Prior Yr.	Actual YTD	Budget YTD	Prior Year YTD	Variance to Budget	Variance to Prior Yr.	Forecast 2021	Budget 2021	Prior Year 2020	Variance to Budget	Variance to Prior Yr.
Revenue	103	92	22	111.7%	466.6%	471	373	61	126.4%	777.9%	1,574	1,627	413	96.7%	381.4%
Cost of Sales	(45)	(41)	(14)	108.6%	329.1%	(224)	(178)	(44)	126.1%	514.2%	(720)	(680)	(232)	106.0%	310.6%
Platform Margin	58	51	8	114.3%	691.3%	247	195	17	126.6%	1456.1%	853	948	181	90.0%	472.4%
Client Success	(12)	(16)	-	74.2%	0.0%	(95)	(73)	-	130.1%	0.0%	(284)	(258)	(75)	110.0%	376.5%
Gross Profit Margin	46	35	8	132.7%	549.6%	152	122	17	124.5%	896.0%	569	690	105	82.6%	541.2%
Wages and Salaries	(220)	(277)	(101)	79.5%	218.4%	(809)	(1,093)	(492)	74.0%	164.3%	(3,104)	(3,286)	(1,146)	94.5%	270.9%
Overheads	(41)	(63)	(27)	64.9%	149.0%	(343)	(442)	(134)	77.7%	256.7%	(956)	(1,067)	(340)	89.6%	281.2%
Total Overheads	(261)	(340)	(128)	76.8%	203.6%	(1,152)	(1,535)	(626)	75.1%	184.1%	(4,060)	(4,353)	(1,486)	93.3%	273.2%
EBIDTA	(215)	(305)	(120)	70.5%	179.4%	(1,000)	(1,413)	(609)	70.8%	164.2%	(3,491)	(3,663)	(1,381)	95.3%	252.8%

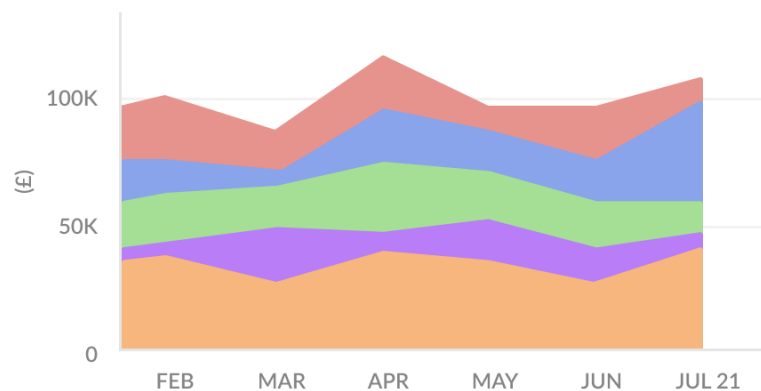
Gross Profit Margin

● Actual ● Budget



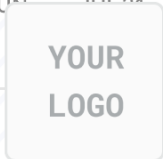
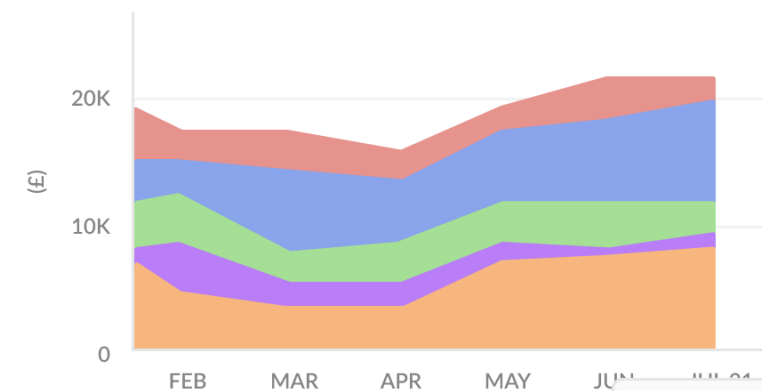
Wages and Salaries

● G&A ● CS ● R&D ● S&M ● CJ



Overheads

● G&A ● CS ● R&D ● S&M ● CJ



Balance Sheet

Net Assets

- Net assets of £4.8m at 31st May 2021.
- Cash of £5.2m is 9% higher than budgeted and more analysis of the cash flows in the month are detailed in Appendix 3.
- Intercompany creditor of £0.4m should net out on consolidation and will be reconciled upon further investigation.
- No balance sheet or detailed cash flow forecasts were prepared as part of the original budget process for further variance analysis.

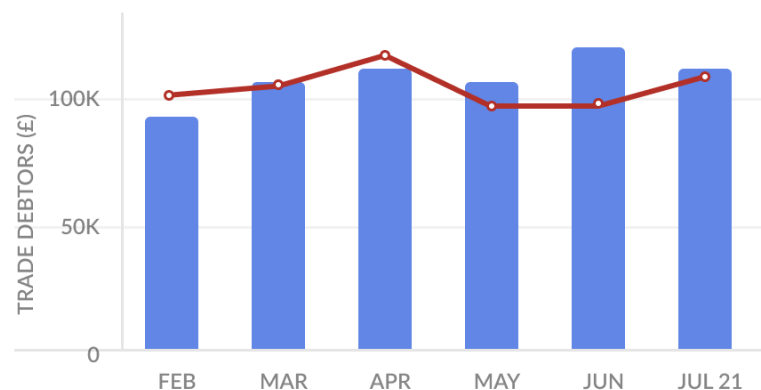
	Actual May '21	Budget May '21	Prior year May '20	Variance to Budget	Variance to Prior Yr.	Forecast 2021	Budget 2021	Prior Year 2020	Variance to Budget	Variance to Prior Yr.
Cash at Bank	5,196	4,751	1,152	109.4%	451.1%	3,130	2,818	965	111.1%	324.2%
Trade Debtors	165	-	45	0.0%	364.0%	367	-	126	0.0%	291.4%
Other Assets	106	-	52	0.0%	205.9%	158	-	50	0.0%	312.4%
Total Assets	5,476	4,751	1,249	115.1%	437.8%	3,655	2,818	1,142	129.7%	320.0%
Trade Creditors	(69)	-	(24)	0.0%	288.7%	(109)	-	(60)	0.0%	180.7%
PAYE and NI	(81)	-	(31)	0.0%	259.0%	(154)	-	(35)	0.0%	445.9%
VAT	(67)	-	(20)	0.0%	337.0%	(59)	-	(77)	0.0%	77.6%
Intercompany	(376)	-	150	0.0%	-251.2%	(376)	-	(186)	0.0%	202.6%
Other Liabilities	(75)	-	(77)	0.0%	96.7%	(93)	-	(39)	0.0%	241.5%
Total Liabilities	(668)	-	(3)	0.0%	264.8%	(792)	-	(396)	0.0%	200.1%
Net Assets	4,798	4,751	1,246	101.1%	385.1%	2,863	2,818	1,246	101.6%	383.6%

Working Capital

- Trade debtor balance of £165k with no current provisions included for doubtful debts.
- Drop in DSO from 53 days in April to 41 days in May due to active credit control which resulted in c£70k of cash receipts within one week. Expect further gains on formalisation of credit policy.
- DPO fluctuates with timing of month-end payment run.

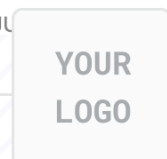
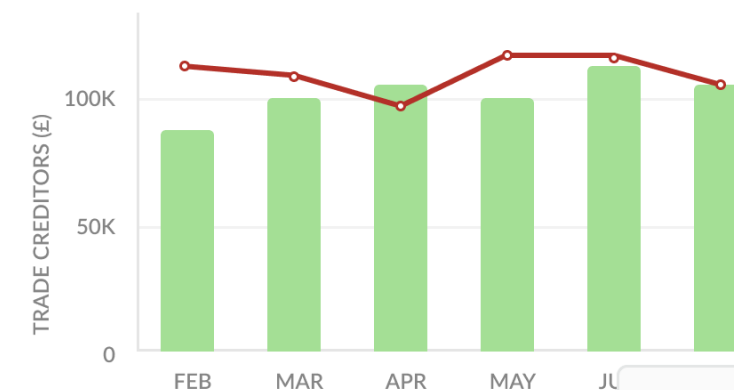
Trade Debtors and DSO

● Trade Debtors ● DSO



Trade Creditors and DPO

● Trade Creditors ● DPO



Full Year Forecast

Revenue and ARR

Revenues of £471k and closing ARR of £1.2m after five months represent 126% of Budget. Despite the early outperformance, full year revenues of £1.6m and closing ARR of £2.5m are forecast to remain in line with Budget based on revised estimates of new business and expansion from existing accounts.

EBITDA

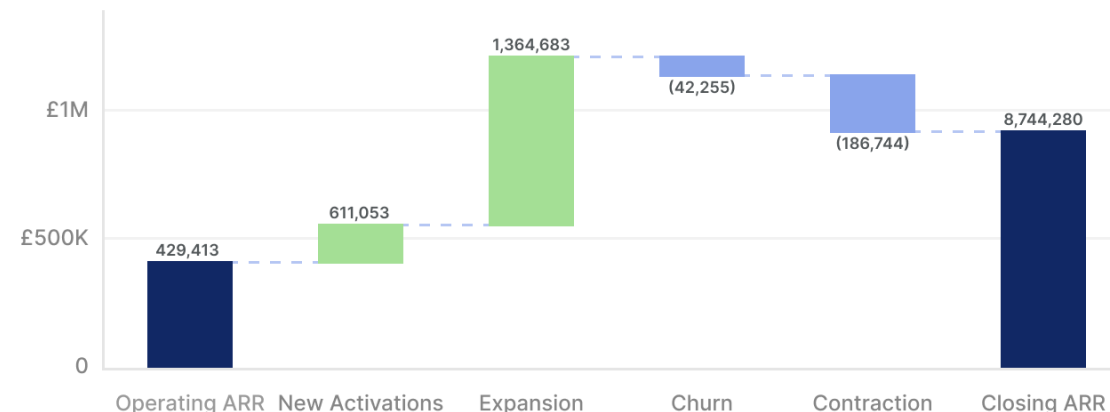
Losses of £3.5m are forecast at an EBITDA level representing 96% of Budget with £0.3m of savings in overheads offset in part by a lower margin contribution of £0.1m.

We have recently agreed new commercial terms with a key supplier for Engage, Onfido. The new commercial terms are effective 1st June and in return for increasing our minimum spend from £12k to £130k per annum we will benefit from a c35% reduction in pricing which will be reflected in the following forecast once we've assessed the impact on June trading.

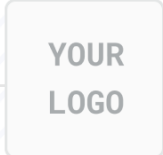
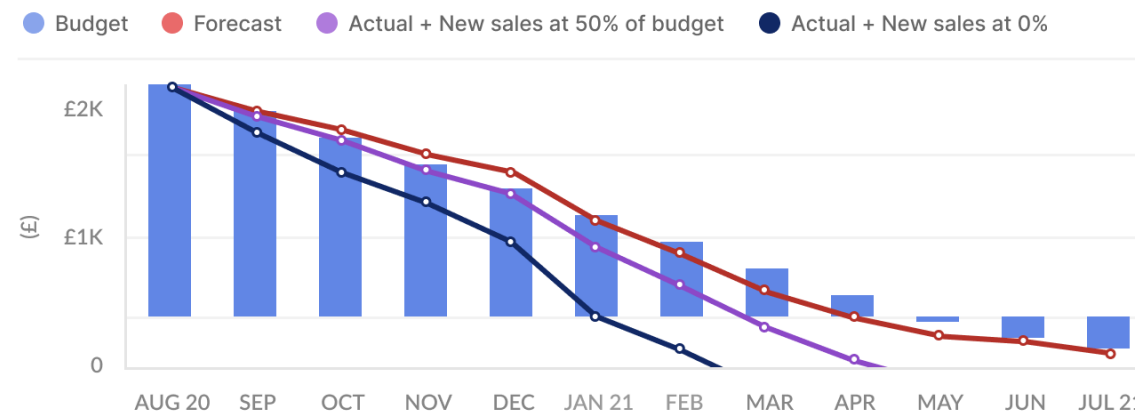
Cash and Runway

Closing cash balance of £3.1m forecast at 31 December 2021 at 111% of Budget and forecast runway to Q4 2022 before working capital optimisations.

Forecast ARR Waterfall



Runway



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Talent & Team

Talent & Team

New hires



Guy Hawkins

Tech Lead | Exp: 8+ years

[LinkedIn](#)



Kristin Watson

Growth | Exp: 6+ years

[LinkedIn](#)



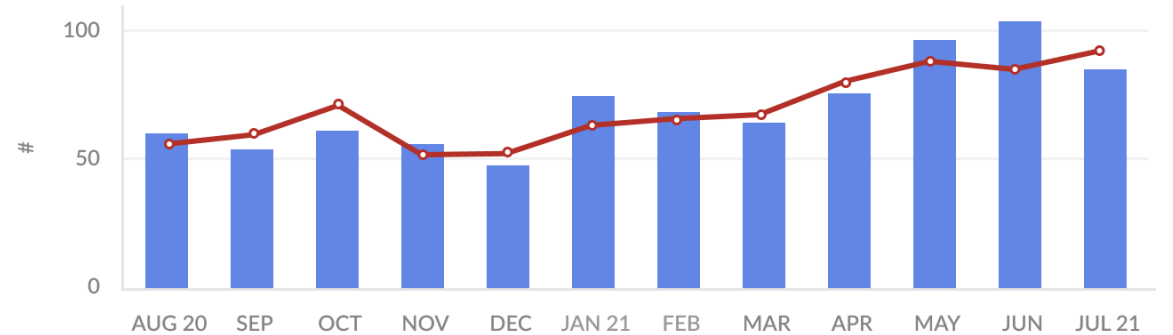
Bessie Cooper

Marketing | Exp: 5+ years

[LinkedIn](#)

Number of Employees

● Actual ● Target



Comments about the talent and team

- Vestibulum vitae lacus eget tellus pellentesque feugiat. Phasellus a turpis non nibh placerat mattis at id ex.
- Nam placerat nunc nec arcu ullamcorper tristique. Quisque nec metus id urna tempor sodales. Proin tincidunt libero nec luctus suscipit. Praesent vulputate dapibus magna quis ultrices.

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Product & Tech

Key Product Update



Why

Reason why feature added
e.g. to combat high drop-off rate at onboarding point in customer journey



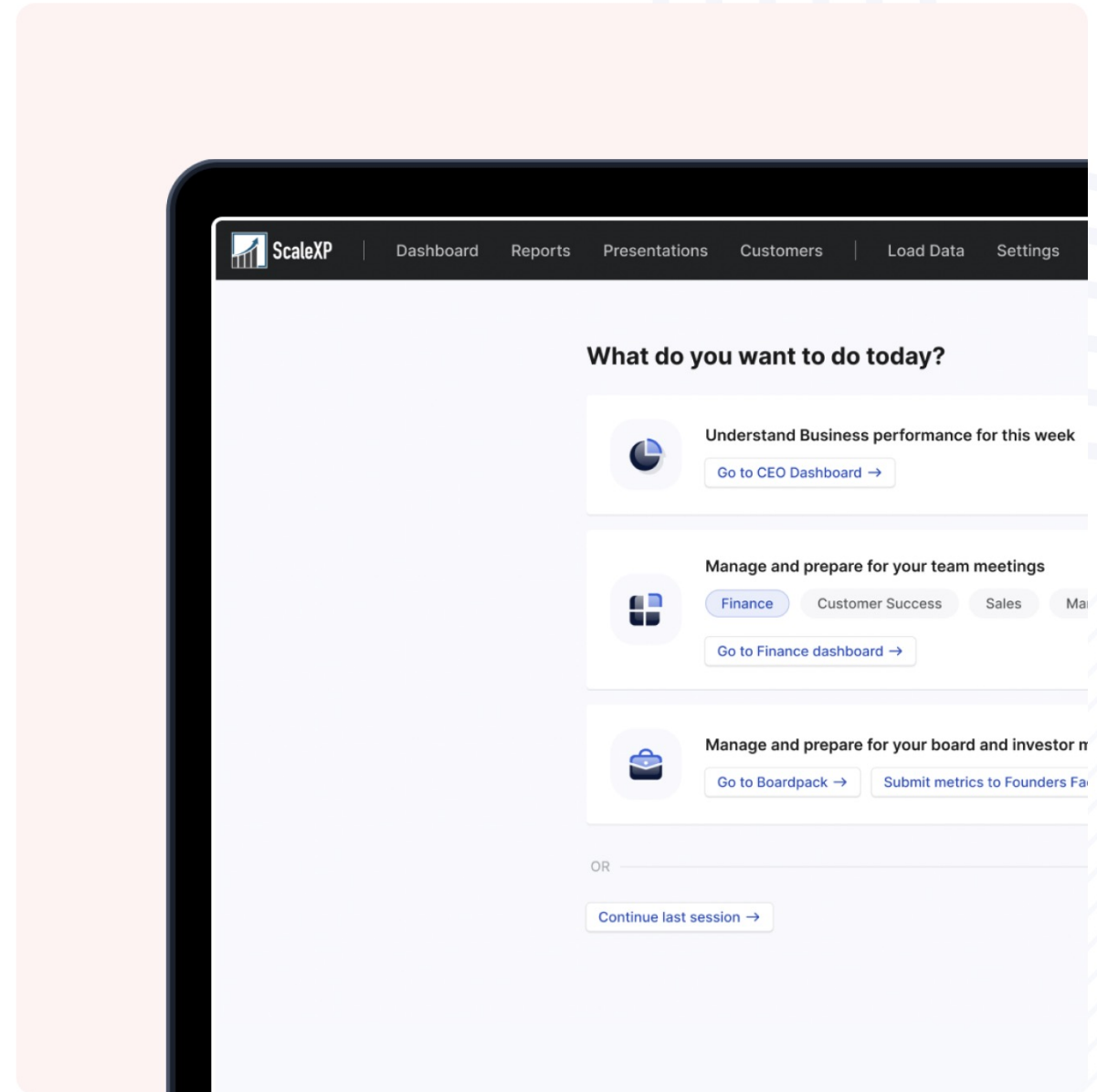
Benefits

Benefits of new feature
e.g. How the feature makes the product stickier, how it aids data capture, how it complies with regulation.



Challenges

Challenges associated with new feature
e.g. relies on x software, liable to x bug.



Product Roadmap

August '21

1. New onboarding flow
2. Google and Trello integration
3. Database improvements

October '21

1. Filters
2. Two factor authentication
3. Optimise server serialisation

September '21

1. Zendesk and Slack Integration
2. Undo and reply action
3. Steady state cost reduction

November '21

1. New onboarding flow
2. Google and Trello integration
3. Database improvements

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Formal Decisions, AOB

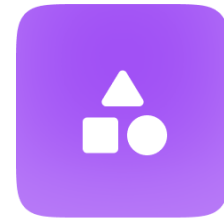
Formal Decisions, AOB



Feedback



Formalities



Stock option grant