board_materials_prior.pdf

BOARD MEETING MATERIALS - Q4 RECAP & Q1 PROJECTION
Date: January 15, 2024
Confidential - For Board Use Only

EXECUTIVE SUMMARY: Q4 PERFORMANCE
We closed Q4 with strong momentum, finishing the fiscal year at $11.4M ARR, representing 68% YoY growth. Net Revenue Retention (NRR) remained healthy at 112%, and our CAC payback period improved to 14 months. The transition to the enterprise-tier pricing model is 80% complete, providing a stable foundation for the upcoming year.

Q4 FINANCIAL HIGHLIGHTS
- Revenue: $8.1M Actual vs. $7.9M Plan (+2.5%)
- Ending ARR: $11.4M
- Gross Margin: 74%
- Cash on Hand: $18.2M
- Burn Rate: $1.1M monthly average

PRODUCT & ENGINEERING UPDATE
The release of the v3.2 Core Engine was successful, resulting in a 30% reduction in latency for high-volume users. Our roadmap for Q1 focuses on the "Insight Pro" module, which is expected to drive a 15% expansion in ACV for existing accounts. We remain on track for the SOC2 Type II audit completion in March.

Q1 STRATEGIC OUTLOOK & GOALS
As we enter Q1, our primary focus is aggressive expansion into the mid-market segment.

Q1 TARGETS:
- Revenue Target: $8.8M
- ARR Target: $12.8M
- New Logos: 24
- Pipeline Coverage: 3.5x

RISK ASSESSMENT & MITIGATION
While we see strong demand, we are monitoring the elongation of sales cycles in the enterprise sector. Our mitigation strategy involves a heavier investment in SDR headcount to bolster top-of-funnel activity and a revised "Proof of Value" (PoV) framework to accelerate technical validation stages.

THE "2024 NORTH STAR"
Our goal for the full year is to reach $20M ARR. This requires maintaining a consistent Q-over-Q growth rate of 15%+. The board is asked to approve the additional $2.5M marketing spend allocated for the Q2 global expansion launch.

BOARD ACTION ITEMS
1. Approval of Q4 Minutes.
2. Approval of the 2024 Employee Option Pool expansion (5%).

3. Ratification of the Q1 Sales Incentive Plan.

APPENDIX: SALES PIPELINE DETAIL
The current pipeline for Q1 stands at $31M. Key weighted opportunities include the Global Logistics Corp ($450k ACV) and TechSystems Inc ($300k ACV), both currently in Stage 4 (Negotiation). We expect 60% of Q1 revenue to be back-weighted to late February and March.