

NovaTech Solutions — Q3 FY2023 Board Pack

Prepared by: Finance & Strategy | Period: July – September 2023

Q3 Financial Summary

Metric	Q3 FY2022	Q3 FY2023	YoY
Revenue	\$11.4M	\$15.2M	+33%
ARR	\$42.1M	\$54.6M	+30%
Gross Margin	72%	75%	+3pp
New Logos	18	26	+44%
Churned ARR	\$0.9M	\$0.7M	-22%

Net Revenue Retention — Q3 Note

NRR for the trailing-twelve-month (TTM) period ending Q3 FY2023 was 111%. This figure reflects strong expansion from existing accounts (+18% expansion ARR) partially offset by churn in the mid-market segment. NOTE: This figure will be revised in the FY2023 Annual Report following final Q4 reconciliation. Preliminary Q4 data suggests full-year NRR may land between 112–115%.

Product Update

NovaTech Predict 2.5 was released in August 2023 with improved LSTM accuracy (+11% on benchmark datasets). The engineering team has begun architecture work on Predict 3.0 using transformer models. Alpha testing is planned for Q1 FY2024.

Headcount

Total headcount as of September 30, 2023: 341 employees. 23 offers outstanding. AI/ML team grew to 38 dedicated researchers and engineers, up from 24 at the start of the fiscal year.

Key Risks — Q3

- ChainMind AI closed a \$47M Series B in September 2023 and has begun targeting NovaTech accounts in the 200–500 employee segment. Competitive intelligence suggests they are pricing 35–40% below NovaTech's SMB tier.
- Three enterprise deals (\$4.2M combined TCV) are in legal review with expected close dates in Q4. Slippage risk is rated medium due to procurement delays at two accounts.