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## Business Description

## Transaction Background

## Financial Profile

- ## Process Status

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## Market Dynamics

- ## Competitive Landscape

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## Customer Base

- Customer concentration: No specific top customer concentration disclosed
- Customer types/segments: 85% with no prior bookkeeping knowledge; primarily aged 35+; 60% female/40% male; diverse backgrounds seeking entrepreneurship
- Geographic distribution: 90% US-based revenue, 10% uncategorized; customers across all 50 states with

highest concentration in California, Texas, and Florida

- Contract terms: One-time purchase with lifetime access (\$4,997); new beta subscription model (\$199/month with \$2,500 reactivation fee)

## Supplier/Vendor Profile

- Key suppliers: Technology platforms including Kajabi (LMS hosting), Stripe/PayPal (payment processing), Vimeo (video hosting), ActiveCampaign (email marketing)

- Supply chain characteristics: Digital delivery model with minimal physical supply chain requirements

- Input cost factors: Advertising spend (\$16.0m in 2024), minimal content development costs (\$22k total to date), technology subscriptions

## Management Team

- Leadership tenure and background: Bill Von Fumetti (Founder/CEO) - CPA, started company in 2019, owns separate bookkeeping practice; Anna Samuelson (Director of Operations since 2022); Carrie Pinnow (Director of Student Success since 2022, 12 years bookkeeping experience)

- Organizational structure: 9 full-time employees, 7 full-time contractors, 1 part-time contractor

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## FINANCIAL ANALYSIS

## Historical Performance

- Revenue trend: Grew from \$4.8m (2023) to \$32.7m (2024), representing 577% growth; projected to reach \$125.1m by 2030

- Profitability trend: Adj. EBITDA margins improved from 39.3% (2023) to 41.3% (2024); gross margins declined from 61.6% to 47.6% due to increased ad spend

- Cash flow characteristics: Generated \$13.1m free cash flow in 2024; minimal working capital requirements due to upfront customer payments

- Debt profile: No debt disclosed; clean balance sheet with \$3.7m cash (Dec 2024)

## Financial Characteristics

- Revenue drivers: Marketing-driven customer acquisition through 5-Day Challenges; pricing increases (from \$1,997 to \$4,997); new subscription offering

- Cost structure: Variable cost structure dominated by advertising (93% of COGS); low fixed costs with 6.3% OPEX margin

- Capital requirements: Minimal capex needs (\$4k fixed assets); growth investment primarily in advertising spend

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## DILIGENCE PRIORITIES

## Critical Validation Areas

1. Revenue recognition methodology requiring detailed review of 9-month recognition pattern and deferred revenue calculations

## 2. Marketing efficiency sustainability with CAC trends, ROAS deterioration risk, and scalability of 5-Day Challenge model at higher volumes

### 3. Subscription model impact assessment including cannibalization analysis and true retention rates beyond initial 87% monthly figure

## Operational Due Diligence Focus

- 5-Day Challenge conversion funnel detailed metrics and quality of leads

- Content relevance and update requirements given static nature of bookkeeping fundamentals

- Student success metrics validation including claimed \$100k+ revenue achievements

- Technology platform dependencies and data portability

## Financial Due Diligence Focus

- Cash to accrual revenue adjustments and deferred revenue waterfall

- True unit economics including all customer acquisition costs
- Quality of earnings adjustments particularly excess owner compensation normalization
- Seasonality patterns and monthly cohort performance

## Commercial Due Diligence Focus

- Competitive positioning versus free/low-cost alternatives (QuickBooks ProAdvisor training)
- Market sizing for bookkeeping business training specifically
- Student outcome verification and post-course business success rates
- Brand reputation assessment given negative online reviews noted

## Risk Areas Requiring Assessment

- Dependence on paid advertising channels and rising customer acquisition costs
- Regulatory risk if gig economy regulations change
- Technology platform concentration risk (Kajabi hosting)
- Key person dependency on founder Bill Von Fumetti
- Reputational risks from unverified scam allegations and BBB complaints

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