



Financial Forecasting

Health & Wellness

- Built Financial Forecasting Model based on fundamental drivers of sales and understanding of business strategy of the upcoming years.
- Providing End-to-End Accounting Support by owning journal entries, reconciliations (revenue, inventory, shipping etc.) and the financial statements

Financial forecasting model to report monthly financials

Situation

- Opportunity to develop a robust financial forecasting model based on the fundamental drivers of growth to build a compelling story for potential investors
- Built the bottom-up financial statements (P&L, Balance Sheet and Cash Flow) and forecasting model to support the business strategy and investment related discussions

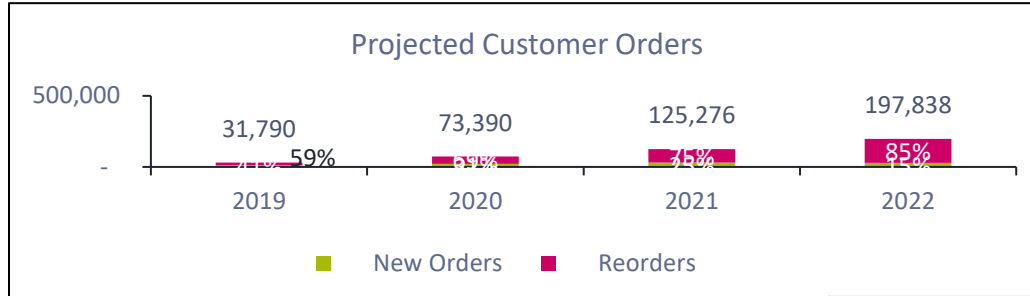
Accordion Value Add

- Built the proforma Financial statements – P&L, Balance Sheet & Cash Flow Statement
- P&L was built through a bottom-up approach using fundamental production and sales drivers such as Marketing spend, Customer Acquisition Costs (CAC), Conversion Funnel, Discounts and Retention, at weekly level
- Ran various scenarios and sensitivity analyses on the inputs / assumptions, to determine path to profitability
- Built a monthly financial package and a dynamic forecasting model that enabled client to review all financial statements at a monthly cadence and update the forecast accordingly

Impact

- Financial models built and helped client to share internally and with potential investors, the bottom-up story that supports the business strategy, and the path to profitability
- Dynamic forecast and Monthly financial package enable client to track against targets/forecast and analyze trends in financial KPIs

Forecasted orders and P&L – monthly proforma models based on fundamental drivers



Forecasted New and Repeat orders based on Marketing spend, CAC, Discounts and Retention rates

P&L	2019	2020	2021	2022
Gross Revenue	\$14,167,583	\$33,106,161	\$56,628,510	\$89,476,654
Total Discounts	\$2,791,928	\$4,316,212	\$5,712,797	\$6,199,095
Discount %	20%	13%	10%	7%
Net Revenue	\$11,375,655	\$28,789,949	\$50,915,713	\$83,277,559
% Growth		134%	71%	58%
Total Cost of Goods Sold	\$6,587,805	\$14,731,408	\$24,720,338	\$38,806,831
Gross Margin (net of discounts)	\$4,787,850	\$14,058,541	\$26,195,375	\$44,470,728
% GM (net of discounts)	42%	49%	51%	53%
Direct Marketing				
Marketing - acquisition online	\$5,775,000	\$7,800,000	\$10,200,000	\$9,600,000
% of Gross Revenue	41%	24%	18%	11%
CAC	\$72	\$55	\$53	\$53
G&A				
Marketing - other	\$1,309,357	\$1,415,799	\$1,997,572	\$2,980,938
Salaries and Wages	\$2,911,840	\$3,460,153	\$4,186,020	\$4,529,890
Finance and Admin	\$1,294,404	\$1,682,032	\$1,949,539	\$2,691,510
Technology	\$354,154	\$426,266	\$518,309	\$641,735
Other G&A	\$0	\$0	\$0	\$0
Total G&A, less marketing	\$5,869,754	\$6,984,250	\$8,651,440	\$10,844,073
% of Net Revenue	52%	24%	17%	13%
Total G&A + Direct Marketing	\$11,644,754	\$14,784,250	\$18,851,440	\$20,444,073
% of Net Revenue	102%	51%	37%	25%
EBITDA	(\$6,856,905)	(\$725,709)	\$7,343,935	\$24,026,655
% of Net Revenue	-60%	-3%	14%	29%

Overall P&L based on the fundamental drivers of growth

Cashflow statements – Monthly proforma models based on fundamental drivers

SUMMARY CASH FLOW	2019	2020	2021	2022	2023
OPERATING ACTIVITIES					
Net Income	\$500,509	\$327,414	\$577,666	\$546,855	\$624,463
Adjustments to reconcile Net Income					
Prepaid Expenses	\$25,682	\$24,983	\$28,216	\$12,864	-\$37,071
Inventory	-\$11,732	\$1,474	-\$189,864	\$25,175	\$19,736
Accumulated Depreciation	\$8,556	\$8,556	\$8,556	\$8,556	-\$233
Accounts Payable (A/P)	\$20,609	-\$29,170	\$214,987	\$108,051	\$20,743
Other Liabilities Adjustments	\$7,394	\$3,086	\$107,706	-\$45,055	-\$3,290
Other Asset Adjustments	-\$3,211	-\$8,626	-\$11,623	-\$30,646	\$51,823
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	\$47,298	\$301	\$157,977	\$78,945	\$98,694
Net cash provided by operating activities	-\$453,211	-\$327,113	-\$419,688	-\$467,911	-\$525,769
INVESTING ACTIVITIES					
Furniture, Fixtures, & Equipment: Packaging Equipment	-\$2,423	\$0	-\$1,355	-\$8,881	-\$5,687
Intangible Assets: Domain & Trade Names	-\$12,060	-\$12,060	-\$16,650	-\$17,820	-\$62,182
Net cash provided by investing activities	-\$14,436	-\$12,013	-\$17,958	-\$26,654	-\$77,759
FINANCING ACTIVITIES					
Convertible Note Payable	\$125,000	\$200,000	\$610,000	\$300,000	-\$2,085,000
Common Stock	\$0	\$0	\$0	\$0	\$0
Retained Earnings	\$0	\$0	\$0	\$0	\$0
Treasury Stock	\$0	\$0	\$0	\$0	\$0
Additional Paid in Capital	\$0	\$0	\$0	\$0	\$6,915,770
Net cash provided by financing activities	\$117,628	\$192,188	\$602,874	\$279,692	\$4,758,186
Net cash increase for period	-\$350,019	-\$146,938	\$165,228	-\$214,873	\$4,154,658
Ending Cash Balance with Accruals	\$458,356	\$311,418	\$476,646	\$261,772	\$4,416,430

Cash Flow summary of the company after incorporating all the fundamental drivers of growth