

# **ENTERPRISE CLIENT REVENUE ANALYSIS 2023**

## **SUMMIT DIGITAL SOLUTIONS, INC.**

*Confidential & Privileged - For Due Diligence Purposes Only*

### **1. DOCUMENT PURPOSE AND SCOPE**

1. This Enterprise Client Revenue Analysis ("Analysis") has been prepared by the Finance Department of Summit Digital Solutions, Inc. ("Company") to provide a comprehensive overview of enterprise client revenue performance for fiscal year 2023.

2. This Analysis covers all client accounts generating annual revenue exceeding \$500,000 during the period of January 1, 2023 through December 31, 2023.

### **2. REVENUE CLASSIFICATION METHODOLOGY**

1. Enterprise clients are categorized according to the following revenue tiers:

- Tier 1: \$2,000,000+ annual revenue
- Tier 2: \$1,000,000 - \$1,999,999 annual revenue
- Tier 3: \$500,000 - \$999,999 annual revenue

2. Revenue recognition follows ASC 606 guidelines with specific consideration for:

- Implementation services revenue
- Recurring platform subscription fees
- Professional services revenue
- Success-based performance fees

### **3. ENTERPRISE CLIENT PORTFOLIO SUMMARY**

1. Total Enterprise Client Count: 47

- Tier 1 Clients: 12
- Tier 2 Clients: 18
- Tier 3 Clients: 17

2. Aggregate Enterprise Revenue: \$64,875,000

- Tier 1 Revenue: \$36,240,000 (55.9%)

- Tier 2 Revenue: \$19,835,000 (30.6%)
- Tier 3 Revenue: \$8,800,000 (13.5%)

## **4. REVENUE COMPOSITION ANALYSIS**

### **1. Service Category Distribution**

- Peak Performance Platform Subscriptions: 45%
- Implementation Services: 25%
- Professional Services: 20%
- IoT Integration Services: 8%
- Performance-Based Fees: 2%

### **2. Industry Vertical Distribution**

- Manufacturing: 42%
- Logistics & Supply Chain: 31%
- Professional Services: 27%

## **5. CLIENT RETENTION AND GROWTH METRICS**

### **1. Enterprise Client Retention**

- Overall Retention Rate: 92%
- Tier 1 Retention Rate: 97%
- Tier 2 Retention Rate: 94%
- Tier 3 Retention Rate: 88%

### **2. Year-over-Year Revenue Growth**

- Net Revenue Growth: 34.2%
- Organic Growth from Existing Clients: 22.8%
- New Client Acquisition Growth: 11.4%

## **6. KEY PERFORMANCE INDICATORS**

### **1. Average Revenue per Enterprise Client**

- Tier 1: \$3,020,000
- Tier 2: \$1,102,000

- Tier 3: \$517,647

## 2. Contract Terms

- Average Contract Length: 36 months
- Average Time to Revenue: 45 days
- Average Implementation Period: 90 days

## 7. RISK FACTORS AND DEPENDENCIES

### 1. Revenue Concentration

- No single client represents more than 8% of total enterprise revenue
- Top 10 clients collectively represent 42% of enterprise revenue

### 2. Contract Renewal Exposure

- 15% of enterprise contracts due for renewal in 2024
- 25% of enterprise contracts due for renewal in 2025
- 60% of enterprise contracts due for renewal in 2026 or later

## 8. CERTIFICATION AND DISCLAIMERS

1. This Analysis has been prepared by the Company's Finance Department under the supervision of the Chief Financial Officer and has been reviewed for accuracy by KPMG LLP, the Company's independent auditor.

2. All financial figures presented are unaudited and subject to adjustment during year-end close procedures.

3. This document contains confidential and proprietary information of Summit Digital Solutions, Inc. and is protected under applicable securities laws and regulations.

## 9. APPROVAL AND AUTHENTICATION

PREPARED AND CERTIFIED BY:

/s/ Jennifer Martinez

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Summit Digital Solutions, Inc.

Date: January 15, 2024

REVIEWED AND APPROVED BY:

/s/ David Thompson

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Chief Financial Officer

Summit Digital Solutions, Inc.

Date: January 15, 2024

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