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Monthly Operating Review
April 2020

12 August 2020

Agenda

- Executive Overview
- Financial Overview
- Sales & Marketing
- Security

Executive Summary







Executive Summary

- Full Year 2020 Forecast projecting bookings, revenue, ARR, Adj EBITDA and Cash to come in slightly ahead of COVID Scenario B
- ARR increased 26% over April 2019 resulting in a 4% favorable variance vs 2020 AOP
- Overachieved April budget in both revenue and bookings
- Strong renewals with several large customers closing in April. No customer churn for the month
- Financial Reporting
 - 2019 Financial Audit complete
 - Adoption of ASC 606 complete (2019 actuals, 2020 actuals and 2020 budget have been restated). ASC 605 will continue to be tracked offline.
 - ARR restated to ACV methodology
- Notable cross-sell and upsell prospects: Bupa Global, HMS
- New ARR pipeline for Q2 supports Q2 bookings goal. Continue to see strong activity in new customer demos and POCs
- Progressing SaaS readiness
 - Migration of SaaS clients to new deployment topology complete. Will generate efficiencies on hosting costs.
 - DevOps processes remediation continuing. On target to complete by July 31
 - SOC2 Remediation activities continuing. On target to complete by July 31
 - New technical support manager onboarded. Initial focus on backfilling day to day activities and coverage of SaaS support activities.
- Resource management
 - Actively recruiting Alliance Manager
 - Evaluating options for VP of Services recruiting

State of the Union – “What’s Not Working”




- Overall solid funnel progression and coverage for Q2, despite final approval slow-down - may impact H2
- Difficult to identify new avenues for marketing program dollars due to COVID restraints
- Delayed product feature delivery
 - Scenario B COVID-19 capacity in place (backfills and partial new hires)
 - Critical fixes required for existing customers and prospects
 - Split team into 2 groups (*WulfPack* and *CtrlAltDel*) for better efficiencies
 - Expect both teams to be able to focus on web authoring by end of June

2020 Key Initiatives

Pillar	Project		Current Status and Next Steps	Timing
<i>Decision Platform</i>	A. Obtain SOC II Certification <i>(Alan Young)</i>		<ul style="list-style-type: none"> Preparing pre-examination system documentation Researching and planning implementation of enterprise security measures as part of remediation activities Next step: Implement anti fraud, phishing, malware, spam and virus software 	Nov 15
<i>Decision Platform</i>	C. Deliver Web Authoring MVP <i>(Dan Reynolds)</i>		<ul style="list-style-type: none"> Identified Epic 1 objective and completed project setup including build process, automated testing, team organization, onboarding, etc. Implemented ability to edit and save rule in browser Next steps: Deliver Epic 1 by mid June 	Jun 30
<i>Market Expansion</i>	D. Expand sales team <i>(Mike Bonner)</i>		<ul style="list-style-type: none"> Previously on hold due to COVID-19 budget concerns Next Steps: Actively recruiting Channel Manager 	April 15
<i>Market Expansion</i>	E. Deliver FY 2020 Digital content <i>(Renee Wagner)</i>		<ul style="list-style-type: none"> Completed Performance Whitepaper Working on final edits for Dynamics and Power Platform Whitepaper Next Steps: Launch joint Thought Leadership Research with Forrester including webinar and whitepaper 	July 31

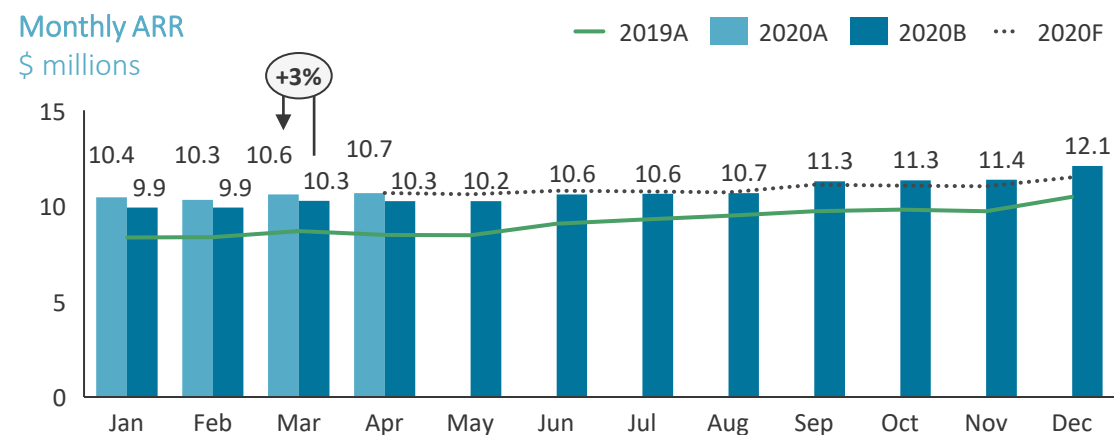
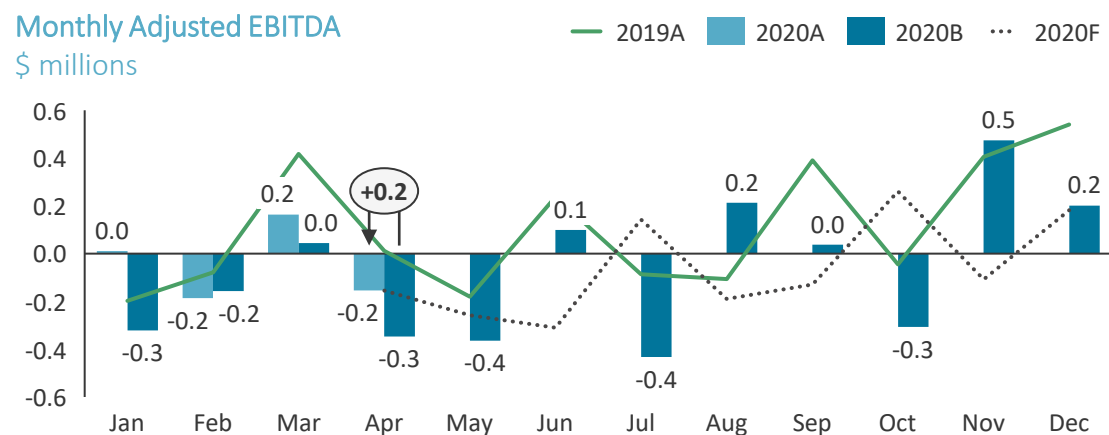
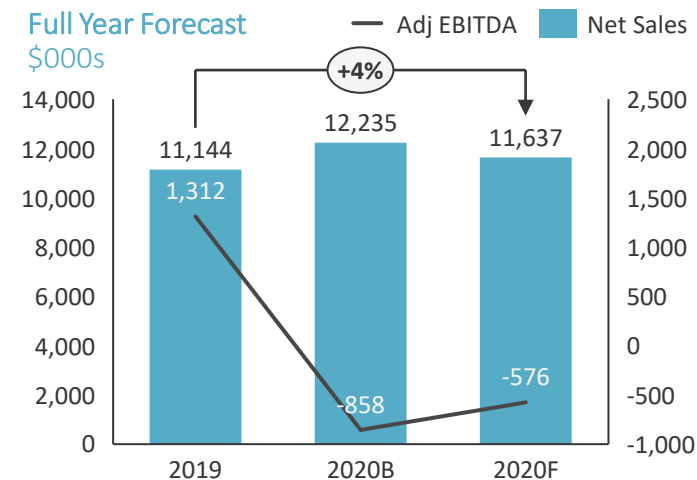
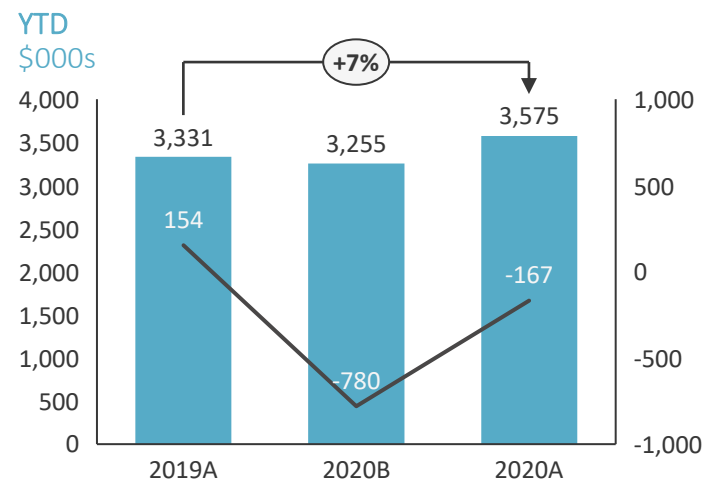
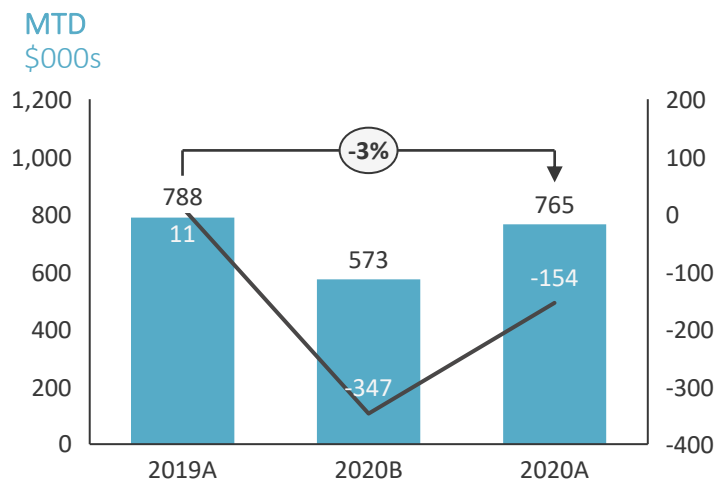
 Complete
  Just started
  On Track
  At Risk
  Behind Schedule

2020 Key Initiatives

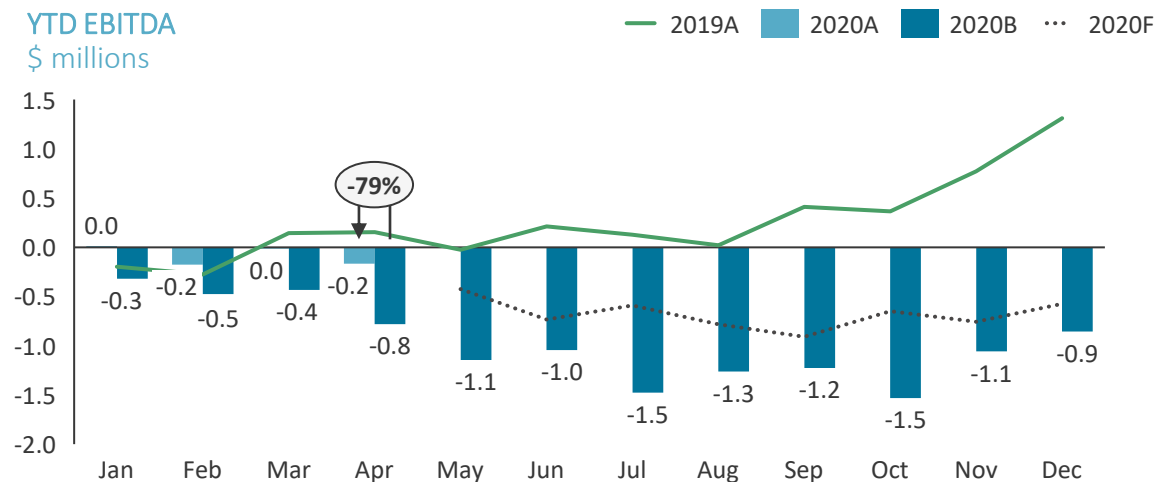
Pillar	Project		Current Status and Next Steps	Timing
<i>Decision Platform</i>	F. Extend integrations with Dynamics and Salesforce and expand partnership <i>(Mark Lonsway)</i>		<ul style="list-style-type: none"> Submitted approval for Salesforce AppExchange Next Steps: Get sign off from Salesforce 	Jun 15
<i>Operational Excellence</i>	G. Implement new ERP system <i>(Beth Worthem)</i>		<ul style="list-style-type: none"> Selected Workato as ESB between NetSuite and CRM Data Cleansing and Data Migration in Progress Next Steps: Alpha Testing/Process Walkthroughs scheduled for early June 	Sep 1
<i>Customer Experience</i>	H. Increase Services Utilization <i>(Mark Lonsway)</i>		<ul style="list-style-type: none"> Identified key competencies for VP of Services hire Working on terms for engagement with potential recruiters Continuing to improve on metrics and reporting Next steps: Select recruiter and get started reviewing candidates 	Jun 30
<i>Market Expansion</i>	Obtain GSA Schedule <i>(Mike Bonner)</i>		<ul style="list-style-type: none"> Obtain GSA Schedule to prepare for 2021 Federal Expansion 	October 31

 Complete
  Just started
  On Track
  At Risk
  Behind Schedule

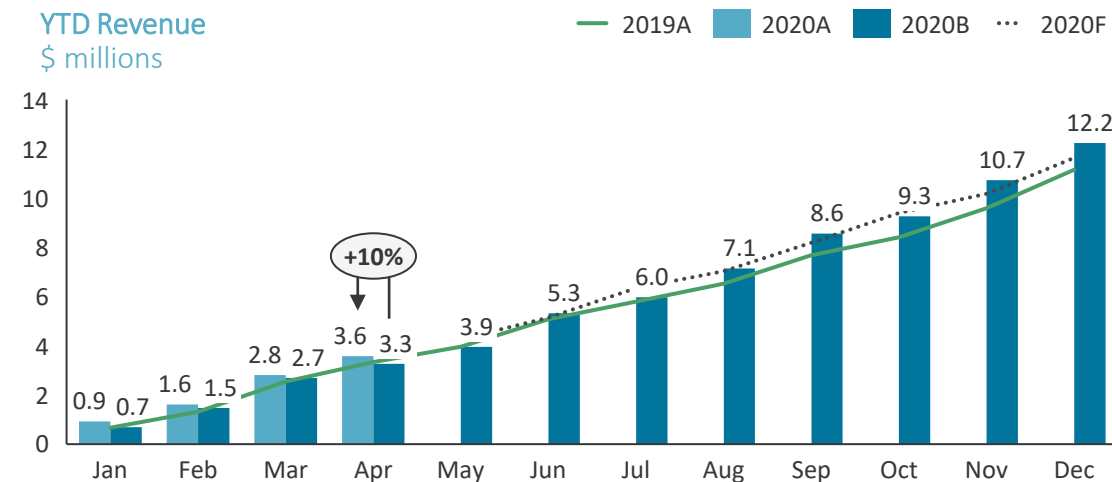
Financial Overview



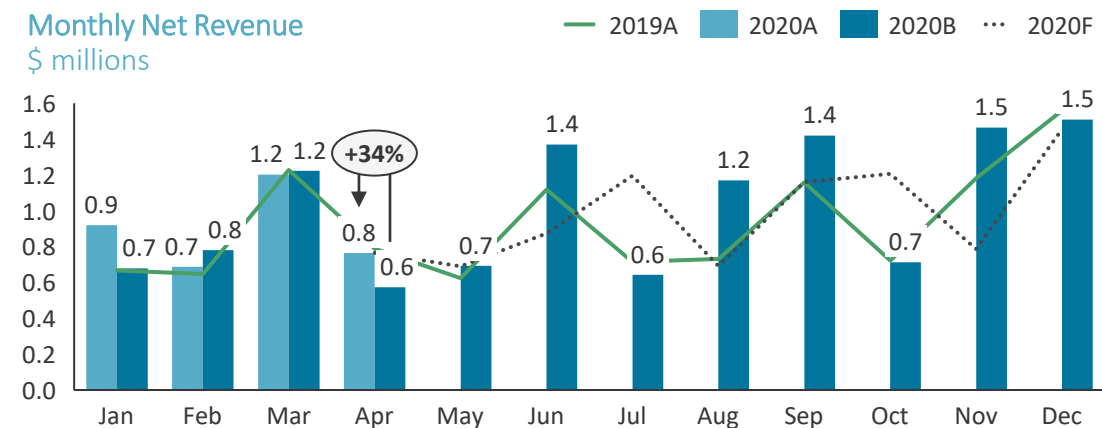
YTD EBITDA
\$ millions



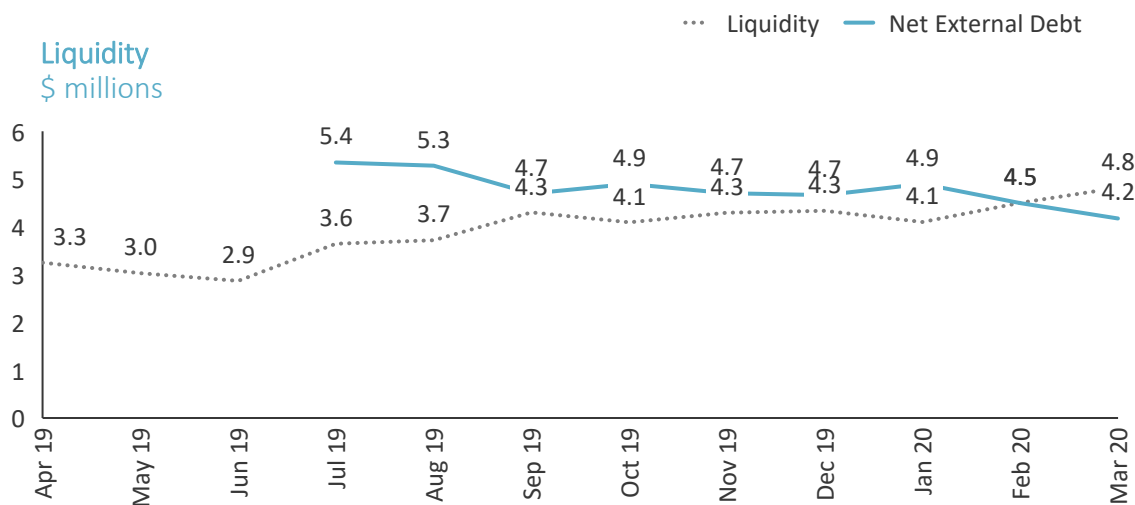
YTD Revenue
\$ millions



Monthly Net Revenue
\$ millions

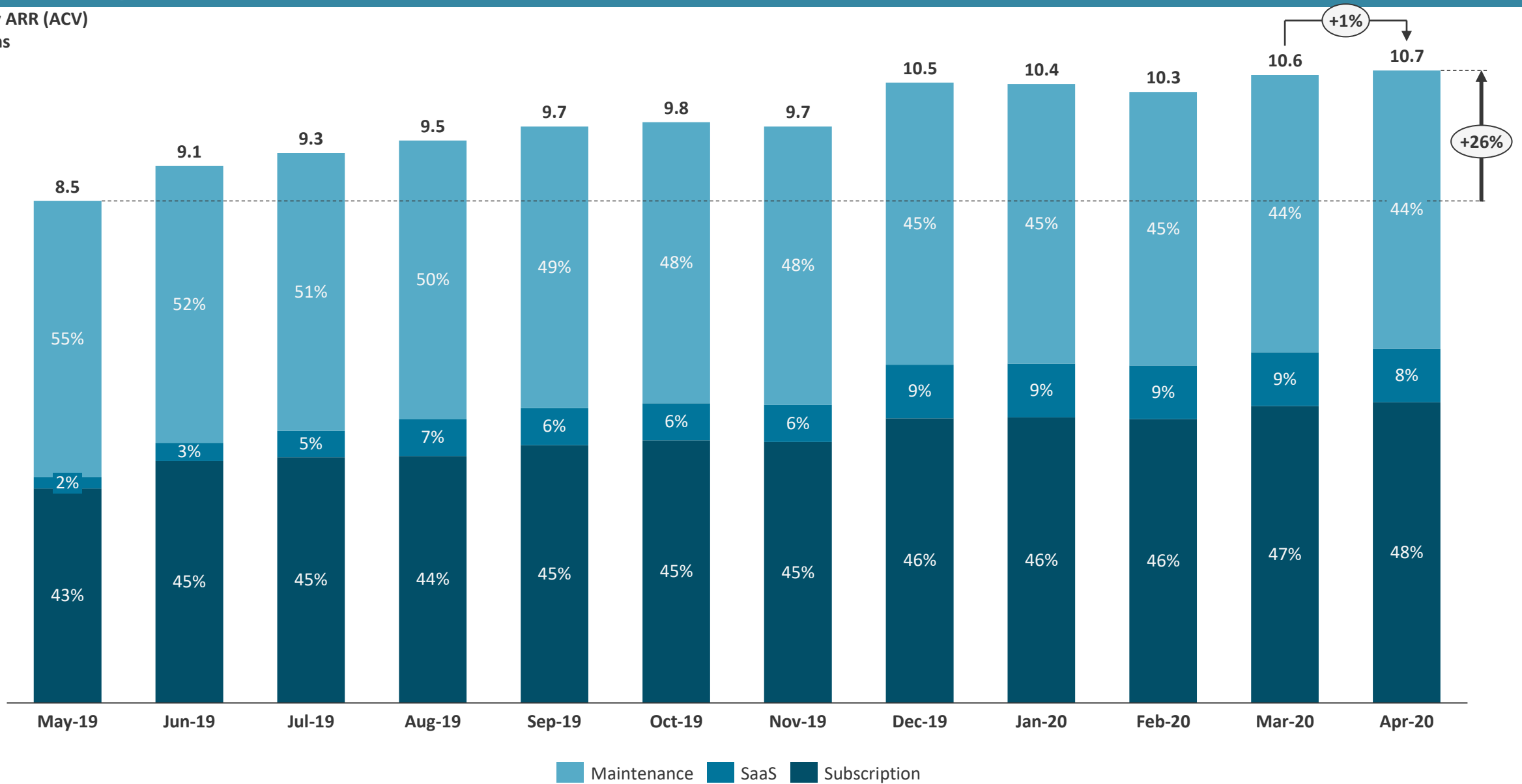


Liquidity
\$ millions



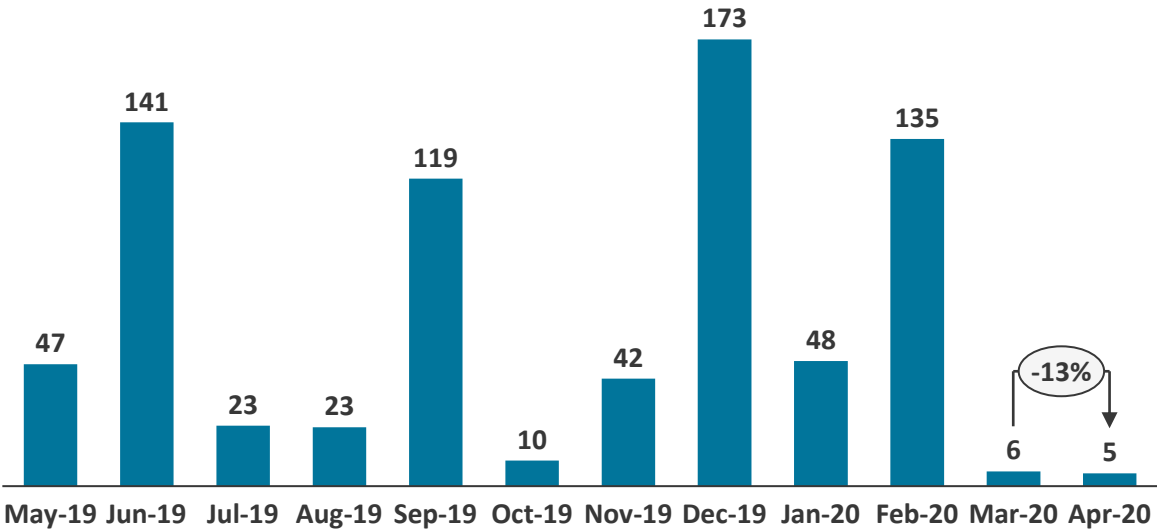
Recurring Revenue (ACV)

Monthly ARR (ACV)
\$ millions



Nonrecurring License Revenue

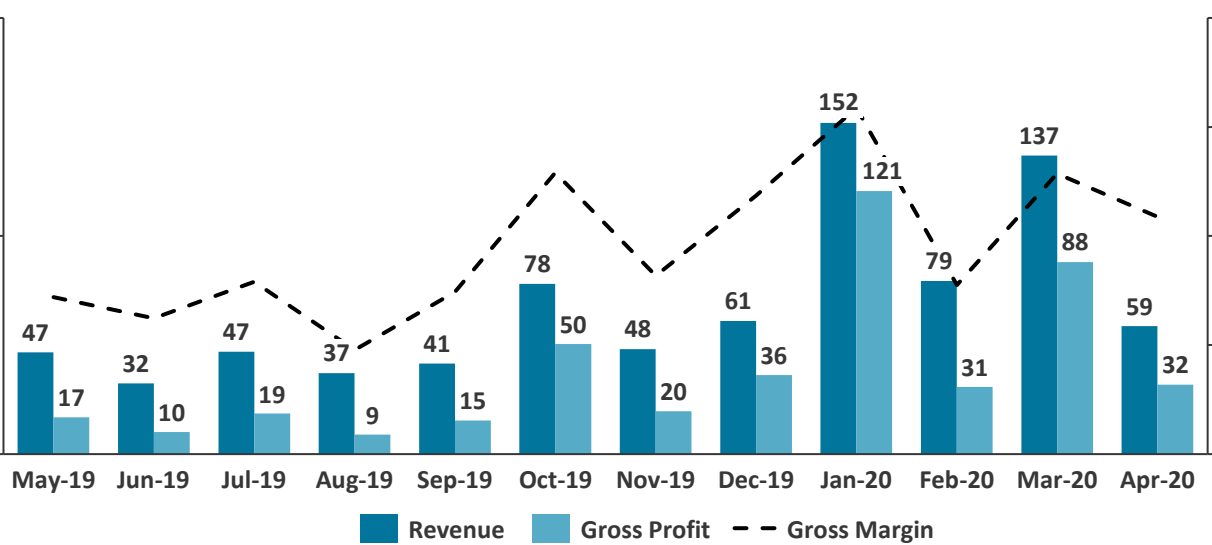
Monthly Perpetual
\$000's



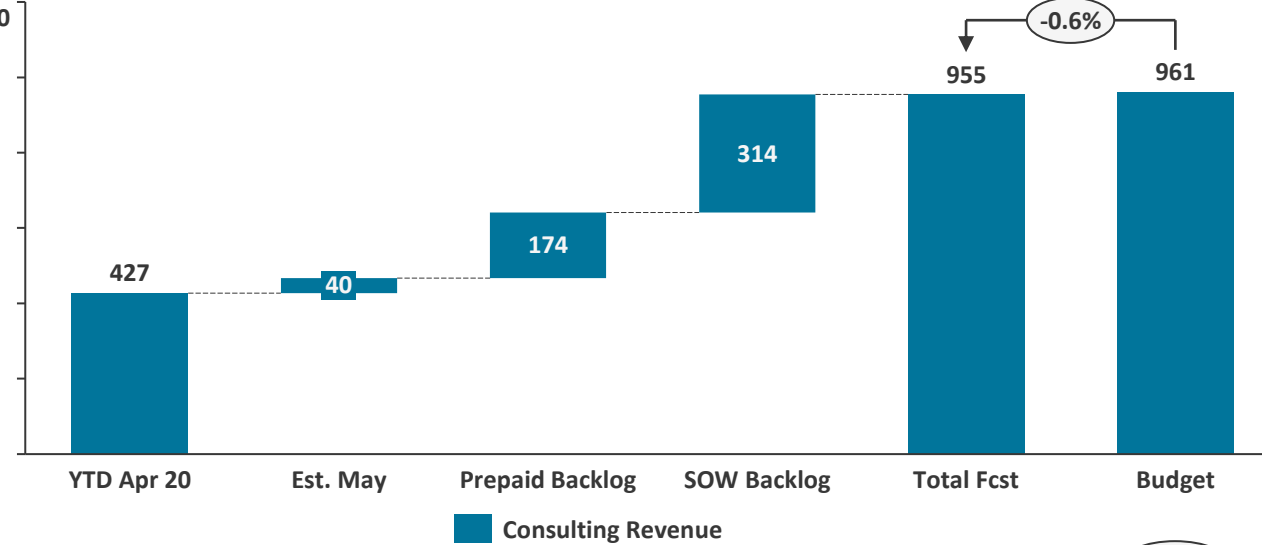
Key Wins		
Customer	Perpetual	Comments
		No activity in April

Nonrecurring Services Revenue

Consulting Services Revenue & Gross Margin
\$000's



Consulting Services Revenue Forecast / Backlog
\$000's



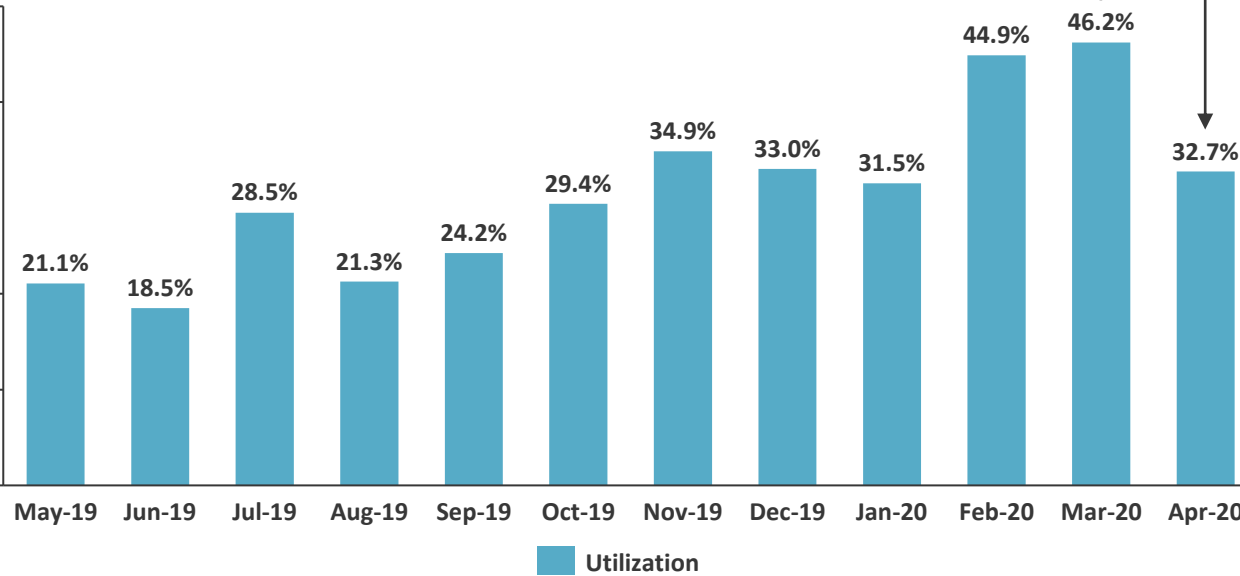
Key Projects Delivered in April

Customer	Services	Comments
Aetna	\$24K	16 days delivered in April
Abbott	\$ 10K	9 days delivered in April
Fidelity Inv Mgmt	\$ 8K	5 days delivered in April
Quicken Loans	\$ 7K	2 days services and 1 Authoring training session delivered in April
American Airlines	\$ 5K	4 days delivered in April
Total	\$53K	

Projects Forecasted for Q2

Abbott, Aetna, Caliber Home Loans, Fidelity Investment Mgmt, Haventree, Hudson Insurance, Quicken Loans

Consulting Utilization (%'s)



Summary P&L – April 2020

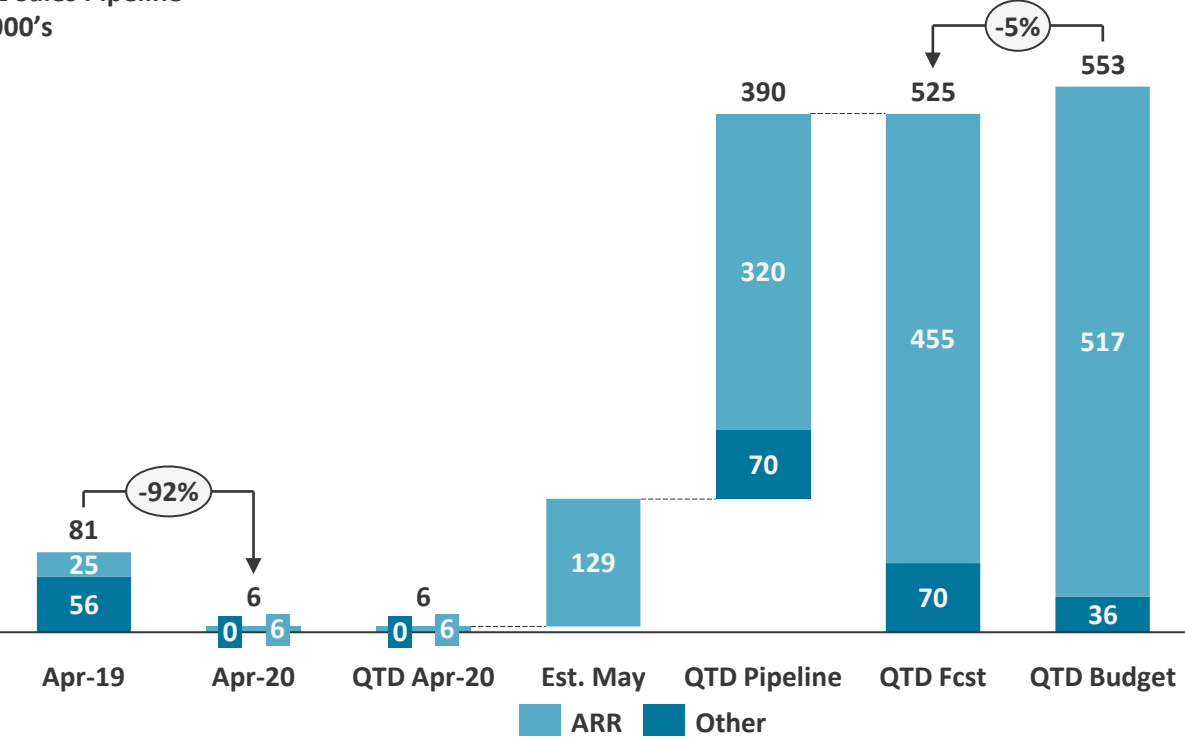
\$000's

	Summary P&L MTD Apr-20							Summary P&L YTD Apr-20							Summary P&L 2020			
	MTD		Variance		PY MTD	Variance		YTD		Variance		PY YTD	Variance		FY		Variance	
	Act	Bud	\$	%	Act	\$	%	Act	Bud	\$	%	Act	\$	%	Fcst	Budget	\$	%
Net Revenue																		
Cloud/SAAS	72	63	9	14.0%	16	56	361.6%	291	244	47	19.3%	62	228	365.4%	894	879	15	1.7%
TBL	237	84	153	181.6%	305	(68)	(22.3%)	1,186	1,217	(31)	(2.5%)	952	234	24.6%	5,086	6,125	(1,039)	(17.0%)
Maintenance & Support	393	345	48	13.8%	372	21	5.7%	1,478	1,448	30	2.1%	1,495	(17)	(1.2%)	4,372	4,109	263	6.4%
Recurring Revenue	702	493	209	42.5%	692	10	1.4%	2,955	2,909	46	1.6%	2,510	445	17.7%	10,352	11,113	(762)	(6.9%)
Non Recurring Product	-	4	(4)	(100.0%)	56	(56)	(100.0%)	175	40	135	342.0%	482	(307)	(63.7%)	335	200	135	67.7%
Professional Services	59	77	(18)	(23.7%)	37	22	60.0%	427	307	119	38.9%	328	99	30.2%	931	922	9	1.0%
Other	5	-	5	100.0%	3	2	50.6%	19	-	19	100.0%	12	7	61.0%	19	-	19	100.0%
Nonrecurring Revenue	64	80	(17)	(21.0%)	96	(33)	(34.0%)	621	347	274	78.9%	821	(201)	(24.5%)	1,285	1,122	164	14.6%
Net Revenue	765	573	192	33.5%	788	(23)	(2.9%)	3,575	3,255	320	9.8%	3,331	244	7.3%	11,637	12,235	(598)	(4.9%)
ARR	10,673	10,256	417	4.1%	8,483	2,189	25.8%	10,673	10,256	417	4.1%	8,483	2,189	25.8%	11,495	12,094	(599)	-5.0%
Material	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Labor	58	47	(11)	(19.6%)	48	(10)	(17.1%)	203	190	(12)	(6.1%)	183	(19)	(9.6%)	583	577	(7)	(1.2%)
Hosting	9	6	(2)	(25.3%)	3	(5)	(59.4%)	33	25	(8)	(23.8%)	15	(18)	(54.8%)	90	80	(10)	(11.4%)
Professional Services COGS	27	22	(4)	(16.3%)	29	2	7.9%	156	89	(66)	(42.5%)	140	(15)	(10.0%)	329	270	(59)	(18.0%)
Other COGS	0	2	2	729.9%	1	0	124.4%	4	12	8	178.2%	3	(2)	(35.0%)	122	146	24	19.7%
Total COGS	94	78	(16)	(16.9%)	81	(13)	(13.4%)	396	317	(78)	(19.8%)	341	(54)	(13.8%)	1,125	1,073	(52)	(4.6%)
Gross Profit	671	495	176	35.6%	707	(36)	(5.3%)	3,180	2,938	242	8.2%	2,990	190	6.0%	10,512	11,163	(650)	(5.8%)
Gross Margin	87.7%	86.4%		1.3%	89.7%		(2.0%)	88.9%	90.3%		(1.3%)	89.8%		(0.8%)	90.3%	91.2%		(0.9%)
Product Margin	90.5%	88.8%		1.7%	93.0%		(2.5%)	92.4%	92.3%		0.1%	93.3%		(0.9%)	92.6%	92.9%		(0.3%)
Services Margin	54.4%	70.9%		(16.5%)	21.3%		33.1%	63.6%	70.9%		(7.3%)	57.3%		6.3%	64.7%	70.7%		(6.0%)
R&D	343	370	27	7.9%	305	(38)	(11.2%)	1,372	1,540	167	12.2%	1,188	(185)	(13.5%)	4,317	4,615	298	6.9%
Sales	112	165	53	47.8%	108	(3)	(3.1%)	555	716	161	29.0%	534	(21)	(3.8%)	2,221	2,670	450	20.3%
Marketing	147	84	(63)	(43.0%)	73	(73)	(49.9%)	530	499	(31)	(5.8%)	283	(247)	(46.6%)	1,608	1,730	122	7.6%
Administrative	203	175	(28)	(14.0%)	130	(74)	(36.2%)	709	751	42	5.9%	559	(150)	(21.1%)	2,073	2,102	29	1.4%
pre-Sales OPEX	34	36	2	5.0%	18	(16)	(47.5%)	146	154	8	5.3%	74	(72)	(49.4%)	574	583	9	1.6%
Services Labor	26	61	36	139.4%	54	28	111.1%	167	253	85	51.0%	220	53	31.7%	678	764	87	12.8%
Other OPEX	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total OPEX (excl D&A)	864	891	26	3.1%	688	(176)	(20.4%)	3,480	3,912	432	12.4%	2,858	(622)	(17.9%)	11,471	12,464	994	8.7%
Total OPEX (excl D&A) %	112.9%	155.4%		42.5%	87.3%		-25.7%	97.3%	120.2%		22.8%	85.8%		-11.5%	98.6%	101.9%		3.3%
Reported EBITDA	(193)	(396)	203	51.3%	19	(212)	(1107.2%)	(300)	(974)	674	69.2%	132	(432)	(326.7%)	(958)	(1,302)	344	26.4%
Reported EBITDA %	-25.2%	-69.0%		43.8%	2.4%		-2.4%	-8.4%	-29.9%		21.5%	4.0%		-4.0%	-8.2%	-10.6%		2.4%
Adjusted EBITDA	(154)	(347)	193	55.6%	11	(165)	(1496.8%)	(167)	(780)	613	78.5%	154	(321)	(208.9%)	(576)	(858)	283	32.9%
Adjusted EBITDA %	-20.2%	-60.6%		40.4%	1.4%		-1.4%	-4.7%	-24.0%		19.3%	4.6%		-4.6%	-4.9%	-7.0%		2.1%
Adjusted Cash EBITDA	(127)	(285)	158	55.6%	27	(154)	(568.9%)	(204)	(514)	310	60.3%	(1,765)	1,561	88.4%	741	53	688	1308.6%
Adjusted Cash EBITDA %	-16.6%	-49.7%		33.2%	3.4%		-3.4%	-5.7%	-15.8%		10.1%	-53.0%		53.0%	6.4%	0.4%		5.9%
Net Income (Loss)	(581)	(765)	184	24.1%	8	(589)	(7292.4%)	(1,703)	(2,325)	622	26.7%	91	(1,795)	(1967.5%)	(4,938)	(5,232)	295	5.6%
Net Income %	-75.9%	-133.5%		57.6%	1.0%		-1.0%	-47.6%	-71.4%		23.8%	2.7%		-2.7%	-42.4%	-42.8%		0.3%

Sales & Marketing

Sales Pipeline - Quarter 2

Q1 Sales Pipeline
\$000's

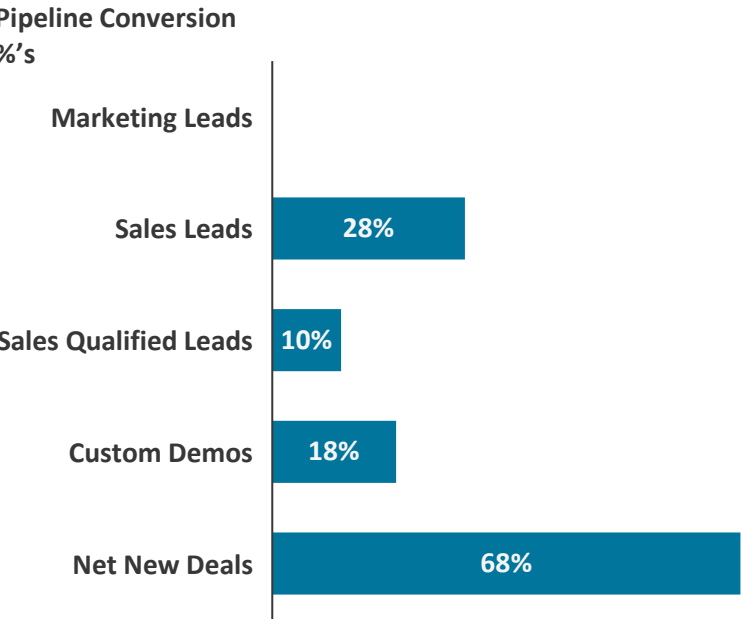
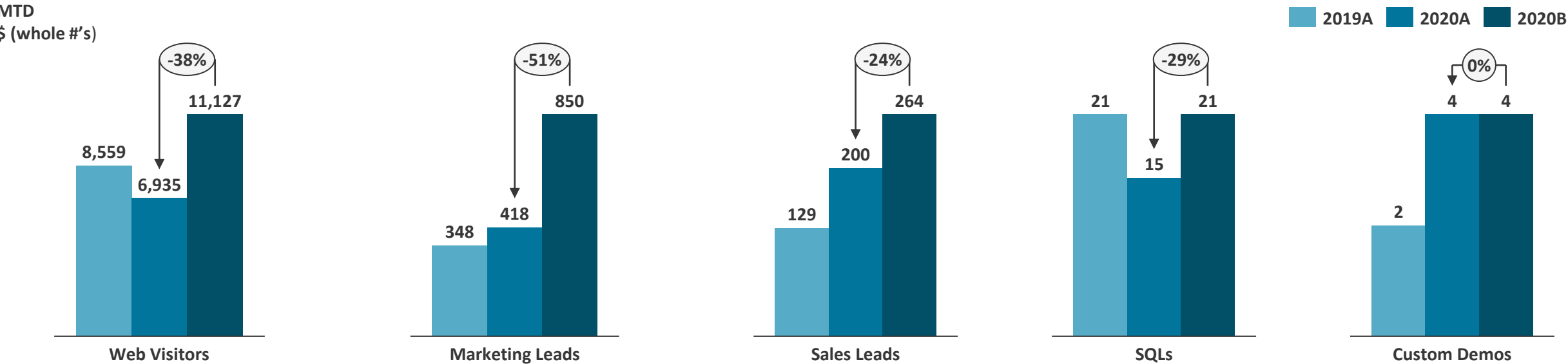


Q2 Likely/Commit Pipeline			
Customer	Subscription	Perpetual	Comments
HMS	\$250K		Expected Close June
Microsoft	\$70K		Expected Close June
Shell		\$70K	Expected Close June
Total	\$320K	\$70K	

Pipeline Commentary

- Possible variability in pipeline due to the size of HMS and continued COVID concerns

Marketing Metrics



Security



Financial Controls

Vendors:

- All invoices must be approved by department head prior to processing
- All requests to change bank information are verified by Finance either by phone or with a prior known contact via their company email
- New templates for new vendor ACH payments must be approved by the CEO or VP of Finance prior to creating any payments
- Online payments (for both ACH and paper check) are created by the Office Administrator or the Accounting Manager and must be approved by the CEO or VP of Finance before the payment will be transmitted
- Check stock is kept locked and all paper checks must be signed by the CEO or VP of Finance

Employees:

- Requests to change bank information or payroll deductions must come from an inrule email
- Employees are required to complete and e-sign a payroll change form which is generated via our internal HR system. Changes to 401k deductions come through the 401k participant website and are verified with employees via inrule email prior to making the change.

Insurance:

- Cyber Security Insurance with Everest Insurance

Enterprise Security

Software:

- Fraudulent, Phishing, Malware, and Spam Communications Mitigation – In progress
 - Anti-fraud/phishing from KnowBe4 ([SOC-2](#))
 - Reviewing anti-malware/spam solution from Mimecast
- Anti-Spoofing DMARC Activation – In progress [EOM]
- Anti-virus Software Implementation/Augmentation for PC & Mac – In testing w/Microsoft Advanced Threat Protection
- Role and Attribute-based Access Control policies (RBAC-ABAC) Users & Groups Redesign – In progress [\[SOC-2\]](#)
 - Azure Just-in-Time Security Elevation w/Change Management & Notifications
 - End-User Access Refinements: Reduction of rights to minimal to perform duties
 - Access rights separating duties and responsibilities for [SOC-2](#) Compliance
- Azure Remote Access VPN for Engineering – Pending Cloud Networking Design
- Virtual Machine Microsoft Agent Deployment – Pending downtime scheduling.
- Azure System Management Policies (Workstation, Server, Access) – In progress/testing [\[SOC-2\]](#)
- Azure Monitor & Security Center Build-out – In progress/testing [\[SOC-2\]](#)
- SIEM Solution Review and Selection for Security Monitoring Log Aggregation – Pending Azure monitoring completion [\[SOC-2\]](#)

Education:

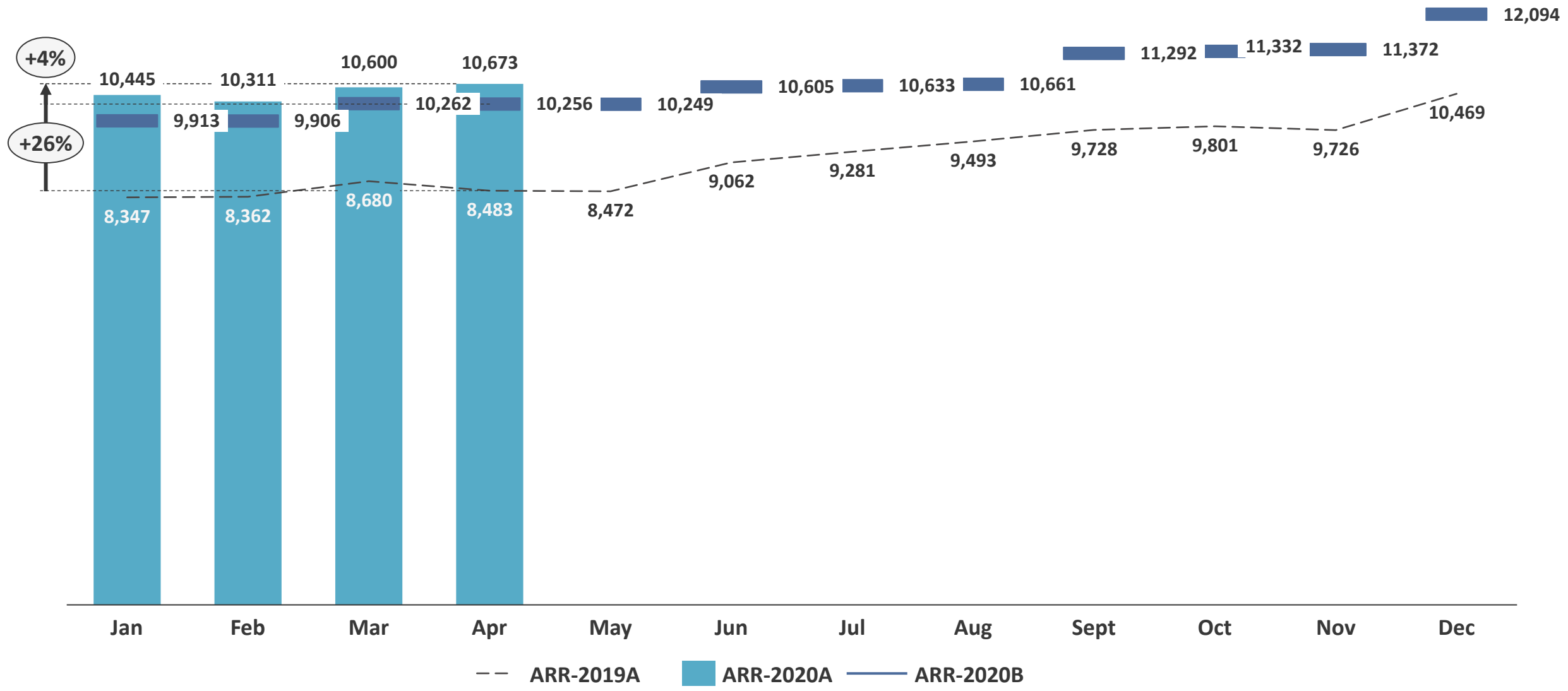
- Cyber Security Awareness & Training – In progress with KnowBe4
- Update Security Policies and Procedures – In progress with [SOC-2](#) consultants (BARR)

Physical:

- Office Security System Upgrades – In progress: Quote received
- Office Security Video Entrance Cameras – In progress: Reviewing options

Appendix

ARR Current FY Trend



Operating Expense Detail

INCOME STATEMENT	Actual		Actual		Actual		Actual	
	1/31/2020		2/29/2020		3/31/2020		4/30/2020	
	1M		1M		1M		1M	
<u>Opex Overview</u>								
Payroll	\$	495	\$	457	\$	439	\$	434
Overtime	\$	-	\$	-	\$	-	\$	-
Benefits	\$	62	\$	71	\$	64	\$	53
Bonus	\$	7	\$	5	\$	79	\$	10
Severance	\$	-	\$	-	\$	-	\$	-
Marketing	\$	107	\$	89	\$	69	\$	111
Commissions	\$	13	\$	43	\$	65	\$	3
Travel and Entertainment	\$	9	\$	12	\$	28	\$	4
Rent and Facilities	\$	26	\$	26	\$	26	\$	26
Insurance	\$	7	\$	(2)	\$	6	\$	7
Professional Fees	\$	60	\$	59	\$	94	\$	82
Utl., Repair, Maint., & Sec.	\$	3	\$	3	\$	4	\$	3
Office Expenses	\$	3	\$	4	\$	8	\$	4
Safety and Training	\$	14	\$	5	\$	0	\$	0
IT	\$	37	\$	32	\$	48	\$	61
Bad Debt	\$	-	\$	-	\$	-	\$	-
Supplies	\$	-	\$	-	\$	-	\$	-
FX	\$	-	\$	-	\$	-	\$	-
JV Loss (Income)	\$	-	\$	-	\$	-	\$	-
Other Expenses	\$	9	\$	6	\$	26	\$	68
Total OPEX Overview	\$	852	\$	809	\$	955	\$	864

Balance Sheet Summary

	Summary Balance Sheet - Reforecast											
	Actual Jan-20	Actual Feb-20	Actual Mar-20	Actual Apr-20	Forecast May-20	Forecast Jun-20	Forecast Jul-20	Forecast Aug-20	Forecast Sep-20	Forecast Oct-20	Forecast Nov-20	Forecast Dec-20
Current Assets												
Cash and cash equivalents	3,836	3,604	4,505	4,321	4,033	3,580	3,245	3,833	3,094	3,226	3,644	3,056
Short term investments	-	-	-	-	-	-	-	-	-	-	-	-
<i>Accounts receivable, gross</i>	2,029	2,164	1,962	1,388	1,690	2,581	2,224	1,785	2,691	2,115	1,945	2,934
<i>Accounts receivable, reserves</i>	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)	(20)
Accounts receivable, net	2,009	2,144	1,942	1,368	1,670	2,561	2,204	1,765	2,671	2,095	1,925	2,914
Total Current Assets	6,022	5,931	6,638	5,882	5,821	6,260	5,569	5,718	5,887	5,442	5,695	6,097
Non-Current Assets												
<i>Property, plant & equipment, gross</i>	205	205	205	205	205	205	205	205	205	205	205	205
<i>Accumulated depreciation</i>	(22)	(26)	(30)	(34)	(38)	(42)	(46)	(50)	(54)	(58)	(62)	(66)
Property, plant & equipment, net	183	179	175	171	167	163	159	155	151	147	143	139
Identifiable intangible assets, net	26,574	26,304	26,034	25,765	25,507	25,249	24,991	24,733	24,475	24,217	23,959	23,701
Total Non-Current Assets	26,757	26,483	26,209	25,935	25,673	25,411	25,149	24,887	24,625	24,363	24,102	23,840
Total Assets	32,779	32,414	32,847	31,817	31,495	31,671	30,718	30,606	30,512	29,806	29,796	29,937
Current Liabilities												
Current portion of long-term debt	-	-	-	-	-	-	-	-	-	-	-	-
Notes payable	-	-	500	-	-	-	-	-	-	-	-	-
Accounts payable	341	265	321	376	390	406	379	246	322	283	205	284
Accrued liabilities	99	124	237	202	408	410	414	418	420	423	436	443
Accrued compensation	184	188	135	86	-	-	-	-	-	-	-	-
Income taxes payable	-	-	-	-	-	-	-	-	-	-	-	-
Short-term unearned revenue	3,673	3,900	3,887	3,914	4,122	4,932	4,277	4,829	5,114	4,577	5,067	5,267
Other current liabilities	25	22	25	56	16	17	19	21	22	24	25	25
Total Current Liabilities	4,323	4,499	5,104	4,634	4,936	5,765	5,089	5,514	5,879	5,307	5,732	6,019
Long-term liabilities												
Long-term debt less current maturities	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500	8,500
Deferred income taxes	2,368	2,368	2,368	2,368	2,059	2,059	2,059	2,059	2,059	2,059	2,059	2,059
Other non-current liabilities	2,064	2,068	2,072	2,094	1,890	1,890	1,890	1,890	1,890	1,890	1,890	1,890
Total Long-Term Liabilities	12,932	12,936	12,940	12,962	12,449	12,449	12,449	12,449	12,449	12,449	12,449	12,449
Total Liabilities	17,255	17,435	18,045	17,596	17,385	18,214	17,538	17,963	18,328	17,756	18,181	18,468
Total Shareholders' Equity	\$ 15,524	\$ 14,979	\$ 14,803	\$ 14,222	\$ 14,110	\$ 13,457	\$ 13,180	\$ 12,642	\$ 12,184	\$ 12,050	\$ 11,615	\$ 11,468
Total Liabilities and Shareholders' Equity	\$ 32,779	\$ 32,414	\$ 32,847	\$ 31,817	\$ 31,495	\$ 31,671	\$ 30,718	\$ 30,606	\$ 30,512	\$ 29,806	\$ 29,796	\$ 29,937

Cash Flow Summary

	Summary Cash Flow - Reforecast												
	Actual Jan-20	Actual Feb-20	Actual Mar-20	Actual Apr-20	Forecast May-20	Forecast Jun-20	Forecast Jul-20	Forecast Aug-20	Forecast Sep-20	Forecast Oct-20	Forecast Nov-20	Forecast Dec-20	Forecast FY 2020
Cash flow from operations													
Net Income (Loss)	(401)	(545)	(176)	(581)	(621)	(649)	(273)	(534)	(454)	(130)	(431)	(143)	(4,938)
Depreciation, amortization and other	275	274	274	274	258	258	258	258	258	258	258	258	3,160
Accounts receivable	452	(135)	202	575	(303)	(891)	358	439	(907)	577	170	(989)	(452)
Prepaid expenses and other current assets	(86)	(6)	(9)	(2)	75	(1)	(1)	(1)	(0)	(1)	(4)	(2)	(37)
Accounts payable	173	(76)	56	54	14	16	(27)	(133)	76	(39)	(78)	79	116
Accrued expenses	(93)	28	65	(33)	121	2	4	4	2	3	13	7	122
Accrued income taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Other changes in operating assets and liabilities	2	2	2	2	(41)	2	2	2	2	2	0	0	(25)
Deferred Revenue	(277)	227	(13)	28	208	810	(655)	552	286	(538)	490	200	1,316
Total Cash Flow from Operations	43	(232)	401	317	(288)	(453)	(335)	587	(739)	132	418	(588)	(737)
Total Cash Flow from Investing	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash flow from financing													
Proceeds from the issuance (repayment) of short-term	-	-	500	(500)	-	-	-	-	-	-	-	-	-
Proceeds from the issuance of debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Repayment of debt	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Flow from Financing	-	-	500	(500)	-	-	-	-	-	-	-	-	-
Net change in cash	43	(232)	901	(183)	(288)	(453)	(335)	587	(739)	132	418	(588)	(737)
Beginning cash	3,793	3,836	3,604	4,505	4,322	4,033	3,580	3,245	3,833	3,094	3,226	3,644	3,793
Change in cash	43	(232)	901	(183)	(288)	(453)	(335)	587	(739)	132	418	(588)	(737)
Ending cash	3,836	3,604	4,505	4,322	4,033	3,580	3,245	3,833	3,094	3,226	3,644	3,056	3,056

Human Capital

Open Positions

Open Position	Type	Annual OTE	Status
Sales Dev Rep (Europe)	New	\$70K	Filled-April 6 th start
Senior Product Engineer	Backfill	\$187K	Filled-April 13 th start
Dev Ops/Cloud Ops	Backfill	\$170K	Filled-April 27 th start
Product Marketing Manager	Backfill	\$163K	Filled-April 29 th start
Customer Support Manager	Backfill	\$150K	Filled-April 30 th start
Alliance Manager	New	\$225K	Actively Recruiting
VP, Services	New	\$225K	Actively Recruiting

Termed Staff (Q2 2020)

Position	Exit Reason	Exit Date	Severance
Director of Customer Support	Termination	05/08/2020	4 weeks

\$000's	Payroll Expenses by Dept											
	MTD		Var		QTD		Variance	Var	YTD		Variance	Var
	Act	Bud	\$	%	Act	Bud	\$	%	Act	Bud	\$	%
COR	\$85	\$62	(\$23)	(27.0%)	\$85	\$62	(\$23)	(27.0%)	\$358	\$251	(\$107)	(30.0%)
R&D	\$225	\$280	\$55	24.2%	\$225	\$280	\$55	24.2%	\$1,020	\$1,175	\$155	15.2%
Sales & Marketing	\$165	\$193	\$28	16.7%	\$165	\$193	\$28	16.7%	\$662	\$723	\$61	9.3%
G&A	\$80	\$71	(\$10)	(11.9%)	\$80	\$71	(\$10)	(11.9%)	\$326	\$301	(\$25)	(7.5%)
OPEX Services	\$26	\$61	\$36	139.4%	\$26	\$61	\$36	139.4%	\$167	\$253	\$85	51.0%
Total	\$582	\$667	\$85	14.6%	\$582	\$667	\$85	14.6%	\$2,534	\$2,703	\$169	6.7%

Payroll Expenses Commentary

- COR/OPEX Services – Combined categories results in a \$22K unfavorable variance which is due to an increase in cost of contractor performing services work. Allocation of services budget is based on 2019 actuals and may not accurately reflect current activity.
- R&D – Backfill and budgeted open positions as well as a reduction of travel is causing a favorable MTD and YTD variance
- S&M – Favorable MTD and YTD variance due to open positions and a reduction in travel
- G&A – Accrual for new STD/LTD/Life/ADD in admin, will be allocated out to departments once bills are received from Cigna

