

inrule

ANNUAL OPERATING BUDGET

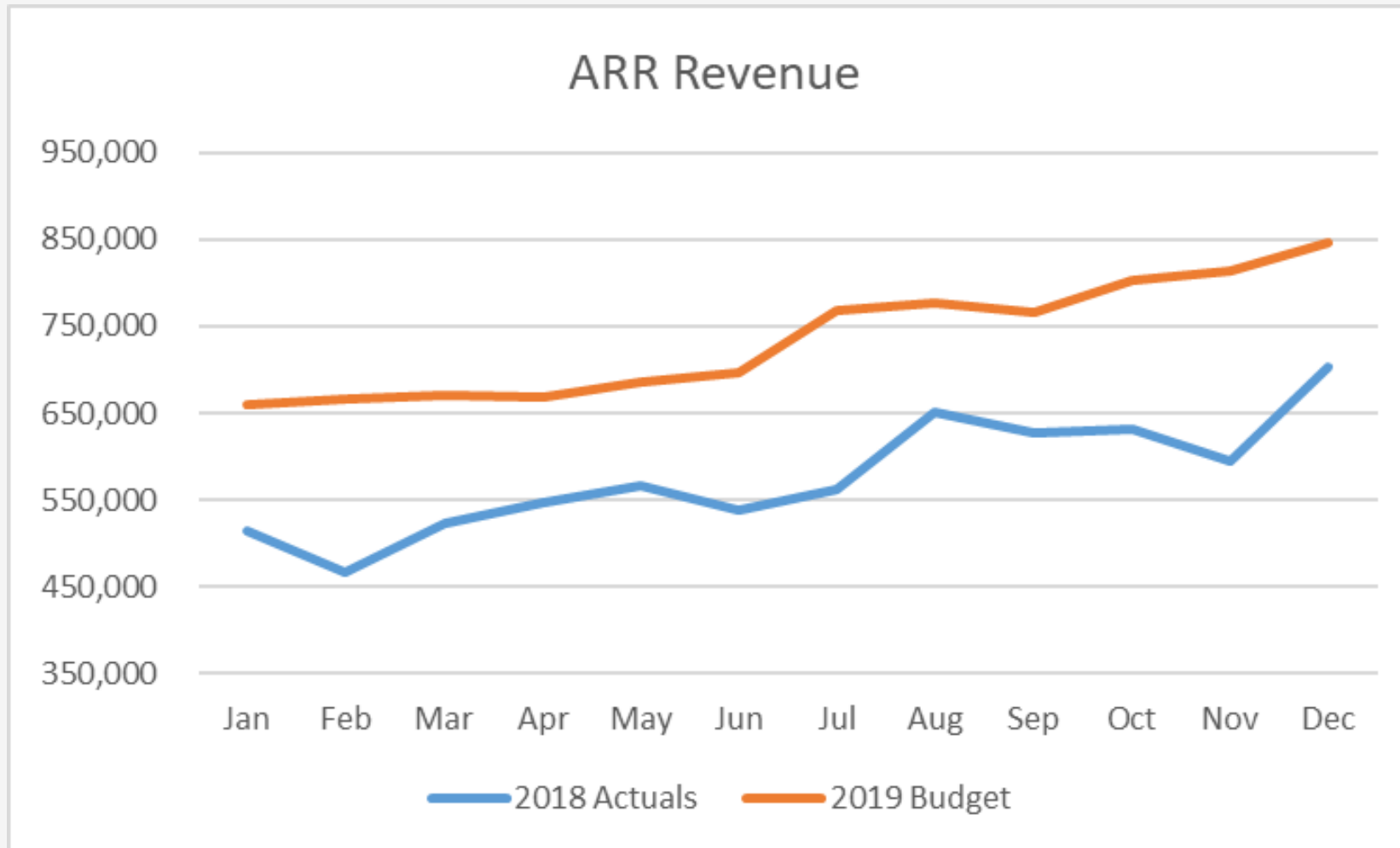


2019

August 20, 2019

ANNUAL BUGDET

	2019					2018	Variance	
	Q1	Q2	Q3	Q4	Total	Actuals	\$	%
ARR	\$ 1,995,782	\$ 2,050,605	\$ 2,311,230	\$ 2,463,668	\$ 8,821,285	\$ 6,516,611	2,304,674	35%
Other Revenue	401,864	673,681	567,458	539,549	2,182,552	2,408,550	(225,998)	-9%
Total Revenue	2,397,646	2,724,286	2,878,688	3,003,217	11,003,837	8,925,161	2,078,676	23%
COR	456,667	452,366	457,515	463,416	1,829,963	1,740,918	89,044	5%
Gross Margin	1,940,979	2,271,920	2,421,173	2,539,801	9,173,874	7,184,242	1,989,632	28%
	81%	83%	84%	85%	83%	80%		
Research & Development	876,702	852,059	889,200	856,190	3,474,152	3,692,280	(218,127)	-6%
Sale & Marketing	763,323	967,203	795,276	739,734	3,265,536	3,336,560	(71,023)	-2%
General & Administrative	428,342	404,784	521,255	564,396	1,918,778	1,705,079	213,699	13%
Total Expenses	2,068,368	2,224,046	2,205,731	2,160,321	8,658,466	8,733,918	(75,451)	-1%
NOI	(127,389)	47,874	215,442	379,480	515,408	(1,549,675)	2,065,083	100%
	-5%	2%	7%	13%	5%	-17%		
Other Income/Expense	36,000	132,000	-	-	168,000	69,016	98,984	143%
Net Income	\$ (163,389)	\$ (84,126)	\$ 215,442	\$ 379,480	\$ 347,408	\$ (1,618,692)	1,966,100	100%
	-7%	-3%	7%	13%	3%	-18%		



BOOKINGS BUDGET*

	Jan	Feb	Mar	Q1	Apr	May	Jun	Q2	Jul	Aug	Sep	Q3	Oct	Nov	Dec	Q4	Total 2019
New Perpetual	-	24,000	185,000	209,000	85,000	30,000	237,500	352,500	-	30,000	242,000	272,000	30,000	85,000	151,500	266,500	1,100,000
New Subscription	30,000	185,000	295,000	510,000	130,000	185,000	670,000	985,000	185,000	270,000	255,000	710,000	85,000	225,000	325,000	635,000	2,840,000
New SaaS	-	-	100,000	100,000	-	-	55,000	55,000	-	-	100,000	100,000	55,000	-	100,000	155,000	410,000
Total New Subscription	30,000	185,000	395,000	610,000	130,000	185,000	725,000	1,040,000	185,000	270,000	355,000	810,000	140,000	225,000	425,000	790,000	3,250,000
Total MB LFR Target	30,000	209,000	580,000	819,000	215,000	215,000	962,500	1,392,500	185,000	300,000	597,000	1,082,000	170,000	310,000	576,500	1,056,500	4,350,000
Renewal Subscription	68,987	51,436	255,028	375,451	104,127	84,041	339,060	527,227	4,880	370,056	287,649	662,585	304,726	498,007	545,722	1,348,455	2,913,718
Renewal SaaS	-	-	-	-	-	-	48,124	48,124	-	-	118,123	118,123	-	-	-	-	166,247
Total Renewal Subscription	68,987	51,436	255,028	375,451	104,127	84,041	387,184	575,351	4,880	370,056	405,771	780,707	304,726	498,007	545,722	1,348,455	3,079,965
New Maintenance	-	4,800	37,000	41,800	17,000	6,000	47,500	70,500	-	6,000	48,400	54,400	6,000	17,000	30,300	53,300	220,000
Renewal Maintenance	163,409	379,222	294,525	837,155	252,261	502,186	528,945	1,283,392	223,943	395,242	292,610	911,795	282,584	256,697	280,633	819,914	3,852,256
Total Company MFR Budget	163,409	384,022	331,525	878,955	269,261	508,186	576,445	1,353,892	223,943	401,242	341,010	966,195	288,584	273,697	310,933	873,214	4,072,256
Total HH ARR Target	232,396	430,657	549,553	1,212,606	356,388	586,226	916,128	1,858,743	228,823	765,298	698,381	1,692,502	587,310	754,704	826,356	2,168,370	6,932,221
Total Company CFR Budget	52,322	81,938	79,528	213,788	150,033	84,863	121,130	356,026	71,669	129,351	126,492	327,512	121,942	101,412	79,319	302,673	1,200,000
Total Company Bookings Budget	\$ 314,718	\$ 726,396	\$ 1,246,081	\$ 2,287,195	\$ 738,421	\$ 892,089	\$ 2,047,259	\$ 3,677,769	\$ 485,493	\$ 1,200,649	\$ 1,470,273	\$ 3,156,415	\$ 885,253	\$ 1,183,115	\$ 1,512,475	\$ 3,580,842	\$ 12,702,221
YTD Company Bookings Budget	-	1,041,114	2,287,195	2,287,195	3,025,616	3,917,705	5,964,964	5,964,964	6,450,457	7,651,106	9,121,378	9,121,378	10,006,631	11,189,746	12,702,221	12,702,221	

	Perpetual			Subscription			SaaS			Total ARR			Total		
	Deal Count	Deal Size	Bookings	Deal Count	Deal Size	Bookings	Deal Count	Deal Size	Bookings	Deal Count	Deal Size	Bookings	Deal Count	Deal Size	Bookings
Upsell	13	30,000	380,000	15	30,000	460,000	-	30,000	-	15	30,000	460,000	28	30,000	840,000
Small	4	55,000	220,000	18	55,000	990,000	2	55,000	110,000	20	55,000	1,100,000	24	55,000	1,320,000
Medium	5	100,000	500,000	11	100,000	1,090,000	3	100,000	300,000	14	100,000	1,390,000	19	100,000	1,890,000
Large	-	300,000	-	1	300,000	300,000	-	300,000	-	1	300,000	300,000	1	300,000	300,000
Total	22		1,100,000	45		2,840,000	5		410,000	50		3,250,000	72		4,350,000

* Bookings = Invoiced Sales

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MONTHLY OPERATING REVIEW



July 2019

August 20, 2019

JULY RESULTS

July	2019		Variance		2018		Variance	
	Actuals	Budget	\$	%	Actuals	\$	%	
ARR	\$ 777,162	\$ 768,685	8,477	1%	\$ 562,235	214,928	38%	
Other Revenue	79,670	64,655	15,015	23%	107,517	(27,847)	-26%	
Total Revenue	856,832	833,340	23,492	3%	669,751	187,081	28%	
COR	138,361	151,999	(13,638)	-9%	136,110	2,251	2%	
Gross Margin	718,471	681,341	37,130	5%	533,641	184,830	35%	
	84%	82%		0%	80%			
Research & Development	277,827	292,143	(14,316)	-5%	353,745	(75,918)	-21%	
Sale & Marketing	214,373	213,355	1,018	0%	209,186	5,187	2%	
General & Administrative	171,276	142,980	28,296	20%	124,741	46,535	37%	
Total Expenses	663,476	648,478	14,999	2%	687,672	(24,195)	-4%	
NOI	54,994	32,863	22,131	67%	(154,030)	209,025	-136%	
	6%	4%			-23%			
Other Income/Expense	33,910	-	33,910	100%	10,000	23,910	239%	
Net Income	\$ 21,084	\$ 32,863	(11,779)	-36%	\$ (164,030)	185,114	-113%	
	2%	4%			-24%			

YTD JULY RESULTS

YTD July	2019		Variance		2018		Variance	
	Actuals	Budget	\$	%	Actuals	\$	%	
ARR	\$ 4,924,560	\$ 4,815,072	109,488	2%	\$ 3,719,814	1,204,746	32%	
Other Revenue	1,177,831	1,140,200	37,631	3%	1,456,838	(279,007)	-19%	
Total Revenue	6,102,391	5,955,272	147,119	2%	5,176,652	925,739	18%	
COR	1,019,593	1,061,031	(41,438)	-4%	979,878	39,714	4%	
Gross Margin	5,082,799	4,894,241	188,558	4%	4,196,774	886,025	21%	
	83%	82%		0%	81%			
Research & Development	2,036,859	2,020,905	15,954	1%	2,120,025	(83,166)	-4%	
Sale & Marketing	1,676,468	1,943,881	(267,412)	-14%	1,925,104	(248,636)	-13%	
General & Administrative	962,596	976,106	(13,510)	-1%	960,374	2,222	0%	
Total Expenses	4,675,924	4,940,892	(264,968)	-5%	5,005,503	(329,580)	-7%	
NOI	406,875	(46,651)	453,526	-972%	(808,729)	1,215,604	-150%	
	7%	-1%			-16%			
Other Income/Expense	149,794	168,000	(18,206)	100%	12,250	137,544	1123%	
Net Income	\$ 257,081	\$ (214,651)	471,732	-220%	\$ (820,979)	1,078,060	-131%	
	4%	-4%			-16%			

YTD BOOKINGS*

YTD July	2019		Variance		2018		Variance	
	Actuals	Budget	\$	%	Actuals	\$	%	
New Perpetual	\$ 714,171	\$ 561,500	152,671	27%	\$ 1,019,374	(305,203)	-30%	
New Subscription	1,106,955	1,835,000	(728,045)	-40%	762,009	344,946	45%	
Total New LFR	1,821,126	2,396,500	(575,374)	-24%	1,781,383	39,743	2%	
New Mnt	117,353	112,300	5,053	4%	182,298	(64,944)	-36%	
Mnt Renewals	3,136,259	2,344,490	791,769	34%	2,376,208	760,051	32%	
Sub Renewals	1,003,977	955,683	48,294	5%	538,266	465,711	87%	
Total Renewals	4,140,236	3,300,172	840,063	25%	2,914,474	1,225,762	42%	
CFR	331,534	641,484	(309,951)	-48%	533,817	(202,283)	-38%	
Total Bookings	\$ 6,410,249	\$ 6,450,457	(40,207)	-1%	\$ 5,411,972	998,278	18%	
Total ARR Bookings	\$ 5,364,545	\$ 5,247,472	117,072	2%	\$ 3,858,781	1,505,764	39%	

* Bookings = Invoiced Sales

YTD REVENUE

YTD July	2019		Variance		2018		Variance	
	Actuals	Budget	\$	%	Actuals	\$	%	
New Perpetual	\$ 714,171	\$ 561,500	152,671	27%	\$ 980,874	(266,703)	-27%	
New Subscription	1,164,944	1,320,452	(155,508)	-12%	637,992	526,951	83%	
Total New License Revenue	1,879,115	1,881,952	(2,837)	0%	1,618,867	260,248	16%	
New Maintenance	191,442	149,365	42,077	28%	260,243	(68,801)	-26%	
Maintenance Renewals	2,463,859	2,246,311	217,548	10%	2,300,481	163,378	7%	
Subscription Renewals	1,104,316	1,098,944	5,372	0%	521,098	583,218	112%	
Total Renewals	3,568,175	3,345,255	222,920	7%	2,821,579	746,596	26%	
Consulting	463,660	578,700	(115,040)	-20%	475,964	(12,304)	-3%	
Total Revenue	\$ 6,102,391	\$ 5,955,272	147,119	2%	\$ 5,176,652	925,739	18%	
Total ARR	\$ 4,924,560	\$ 4,815,072	109,488	2%	\$ 3,719,814	1,204,746	32%	

2019 Sales Focus

- In H1 2019 uncertain of outcome of recap and financial partner search
- Sales team directive (until July 2019): prioritize total quota achievement (over subscription quota), for company cashflow purposes
- H2 2019 focus will be on ARR

Q3 2019 Pipeline (Likely and Commit status)

Salesperson	Opportunity Name	Potential Customer	Est. Close Date	Est. Revenue	LFR	ARR
David Thornton	Fidelity "Workplace Investing"	FIDELITY INTERNATIONAL	9/26/2019	\$220,000.00		\$150,000.00
Matt Maguire	Leidos RFP	LEIDOS BIOMEDICAL RESEARCH	8/30/2019	\$175,000.00		\$175,000.00
David Thornton	NN Group - Dynamic Pricing / Smart Underwriting	NN GROUP N.V.	9/12/2019	\$133,750.00		\$100,000.00
Wes Young	West Bend Mutual Insurance Co. Commercial Business Group	WEST BEND MUTUAL INSURANCE	8/29/2019	\$105,000.00		\$85,000.00
Wes Young	MFX	MFX INFOTECH PVT LTD	8/29/2019	\$90,000.00		\$80,000.00
David Thornton	IBO - Aurora Project (Assessment Programme)	INTERNATIONAL BACCALAUREATE ORGANIZATION	8/29/2019	\$78,674.00		\$78,674.00
Matt Maguire	Worldstrides - Additional Licenses	WORLDSTRIDES	9/30/2019	\$20,000.00	\$20,000.00	
Wes Young	Hudson irSDK add-on	HUDSON INSURANCE GROUP	8/22/2019	\$17,395.00	\$14,496.00	

YTD EXPENSES

YTD July	2019		Variance		2018		Variance	
	Actuals	Budget	\$	%	Actuals	\$	%	
Payroll	\$ 3,355,520	\$ 3,367,283	(11,763)	0%	\$ 3,444,490	(88,969)	-3%	
Commission	270,575	385,489	(114,914)	-30%	237,551	33,025	14%	
Empl Benefits & Taxes	755,070	756,908	(1,838)	0%	825,938	(70,867)	-9%	
Marketing	350,106	434,631	(84,525)	-19%	482,676	(132,570)	-27%	
Travel	127,903	163,424	(35,521)	-22%	150,554	(22,651)	-15%	
Computer Equipment	989	11,000	(10,011)	-91%	24,949	(23,959)	-96%	
Computer Services	121,586	143,369	(21,783)	-15%	176,363	(54,777)	-31%	
Computer Software	49,264	55,268	(6,004)	-11%	32,849	16,414	50%	
Outside Services	254,718	244,150	10,568	4%	149,693	105,025	70%	
Professional Fees	71,233	103,000	(31,767)	-31%	117,943	(46,710)	-40%	
Communication	40,782	39,195	1,587	4%	40,208	574	1%	
Insurance	51,712	65,000	(13,288)	-20%	50,746	966	2%	
Rent & Utilities	179,186	179,186	-	0%	171,073	8,113	5%	
Other	216,666	222,021	(5,355)	-2%	92,599	124,067	134%	
Total Expenses	\$ 5,845,310	\$ 6,169,923	(324,613)	-5%	\$ 5,997,631	(152,321)	-3%	

7/31/19 BALANCE SHEET*

	Jul 31, 19	Jul 31, 18	Variance	
			\$	%
ASSETS				
Current Assets				
Checking/Savings	1,737,138	1,005,295	731,843	73%
Accounts Receivable	2,104,346	1,457,682	646,663	44%
Other Current Assets	203,599	25,061	178,538	712%
Total Current Assets	4,045,083	2,488,038	1,557,044	63%
Fixed Assets	234,745	281,188	(46,443)	-17%
Other Assets	593,500	425,500	168,000	39%
TOTAL ASSETS	4,873,328	3,194,726	1,678,602	53%
LIABILITIES & EQUITY				
Liabilities				
Current Liabilities				
Accounts Payable	142,392	165,888	(23,497)	-14%
Credit Cards	35,959	36,235	(277)	-1%
Other Current Liabilities				
Accrued Expenses	260,557	(5,584)	266,141	100%
Accrued Commissions	146,979	18,778	128,201	683%
Deferred Revenue	5,744,691	4,503,700	1,240,992	28%
Deferred Rent	48,694	19,234	29,460	153%
Lease Incentive	61,751	65,000	(3,249)	-5%
Total Other Current Liabilities	6,262,673	4,601,128	1,661,544	36%
Total Current Liabilities	6,441,023	4,803,252	1,637,771	34%
Total Liabilities	6,441,023	4,803,252	1,637,771	34%
Equity	(1,567,695)	(1,608,526)	40,831	-3%
TOTAL LIABILITIES & EQUITY	4,873,328	3,194,726	1,678,602	53%

* Represents the pre-transaction balance sheet. Will begin work with outside accountants to prepare the opening balance sheet over the coming weeks.