Due Diligence Report

ABC Technologies, Inc.

B2B SaaS — Project Management & Workflow Automation Platform

January 2026

STAGE

Series B / M&A Target

Valcore Analytics

DATA-DRIVEN RESEARCH, ANALYTICS, AND DATASETS

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Section 1

EXECUTIVE SUMMARY

Overall Due Diligence Rating: MODERATE RISK — PROCEED WITH CONDITIONS

$12.4M	118%	87%	$4.2M	312
ARR (FY 2025)	Net Revenue Retention	Gross Margin	Runway (18 mo.)	Paying Customers

Key Strengths

- Strong NRR of 118% indicates product stickiness and upsell motion
- Differentiated AI-powered workflow automation vs. legacy competitors
- Recurring revenue base with 94% of ARR from annual contracts
- Experienced founding team with prior SaaS exits

Key Concerns

- Customer concentration: Top 3 clients = 38% of ARR
- Sales cycle lengthening to 74 days (up from 51 days in 2024)
- Pending patent dispute with Ester Technologies
- CFO vacancy since Q4 2025; finance function understaffed

Section 2

MARKET SIZING OF WORKFLOW MANAGEMENT SAAS BUSINESS: BOTTOM-UP APPROACH

Bottom-Up Build — Step by Step

STEP 1 — BUILD THE TAM	
Global businesses (10+ employees) *Source: World Bank / OECD 2025*	131 M
× % using digital workflow tools *Source: Gartner adoption rate*	38%
= Addressable WFM firms	**49.8 M**
× Avg annual spend per firm *Source: IDC SaaS Tracker*	$570
= TAM *(Cross-check: IDC $27.1B)*	**$28.4B**

STEP 2 — NARROW TO SAM	
SMB/mid-market knowledge firms (10–500 emp)	14.4 M
× ABC verticals coverage (8) *Prof. Svcs, Tech, FinTech*	62%
× Geographic markets (US/UK/DACH/ANZ) *Current GTM coverage*	58%
= Addressable firms	**5.2 M**
× Avg ACV (FY25) *ABC internal*	$1,580
= SAM *Cross-check: G2 $7.9B*	**$8.2B**

STEP 3 — DEFINE SOM (5-Year)	
SAM ($8.2B) × realistic penetration *GTM capacity modelled*	10%
= SOM	**$820M**
Implied 5-yr ARR target at 10% SOM *vs. $12.4M today = 6.6× growth*	$82M

TAM	All global businesses 10+ employees using digital workflow / project mgmt tools	**$28.4B**
SAM	SMB & mid-market knowledge-work firms: ABC verticals, US/UK/DACH/ANZ geographies	**$8.2B**
SOM	Realistic 5-yr capture: GTM capacity + competitive position + product-market fit	**$820M**

ABC FY25 ARR: $12.4M | SOM Penetration: 1.5%
Runway to SOM: 66× current ARR

Methodology: Unit-based build → price → $ market. Cross-validated: Gartner Dec 2025 ($27.1B), IDC SaaS Tracker ($7.9B SAM), G2 category data. Valcore independent model.

COMPANY OVERVIEW

About ABC Technologies

Founded in 2019 and headquartered in Austin, TX, ABC Technologies provides a cloud-native project management and workflow automation platform targeting mid-market B2B clients across the professional services, technology, and financial services verticals.

The platform combines AI-driven task automation, real-time collaboration, and business intelligence dashboards in a single SaaS offering, delivered via subscription at $299–$1,499/month per seat tier.

ABC competes in the growing $28.4B workflow automation market, with differentiation through its proprietary AutoFlow™ AI engine and deep integrations with 140+ enterprise tools.

FOUNDED

2019

HEADQUARTERS

Austin, TX

EMPLOYEES

87 FTE

BUSINESS MODEL

B2B SaaS / Annual Subscription

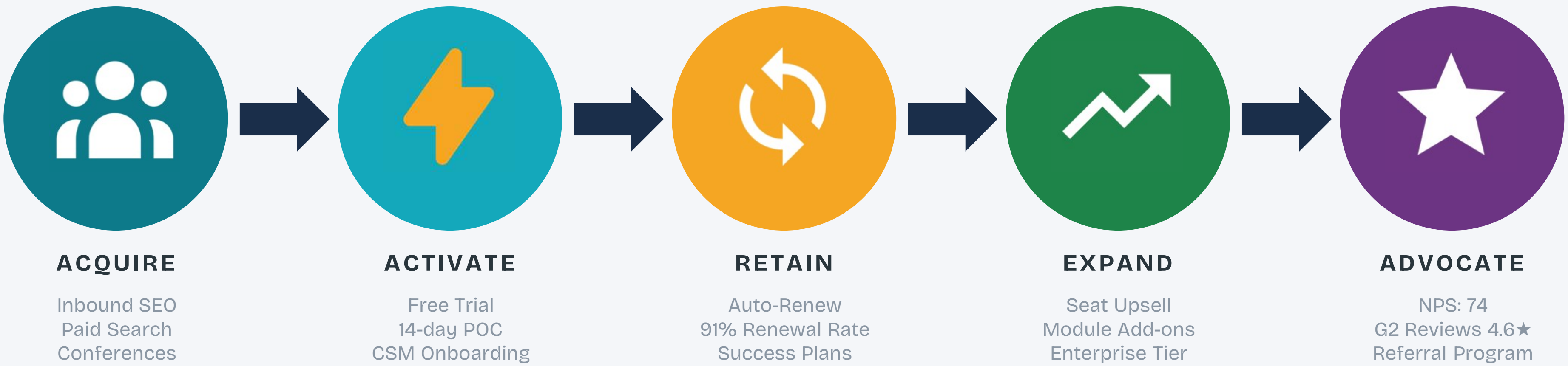
TARGET VERTICALS

Prof. Services, FinTech, Tech

FUNDING RAISED

$22M (Seed + Series A)

ABC — SAAS BUSINESS MODEL



Subscription Revenue

Billing Model: 94% billed annually upfront — strong CF predictability

3 Tiers: Core $299 / Pro $699 / Enterprise $1,499 — clear upgrade path

Per-Seat Pricing: Revenue grows with customer's team expansion

AutoFlow™ Add-on: $199/user AI module, 38% attach rate on Pro+

Land & Expand Motion

Avg ACV: $39,740 — typically 15–20 seats, multiple dept

Year-2 Expansion: Average seat count grows 2.4× post-adoption

NRR 118%: Every $100 retained generates $118 the next year

Enterprise Mix: 8% of logos = 42% of ARR — upsell is growth engine

Unit Economics

CAC (Blended): $21,400 — inbound + outbound weighted average

LTV: $89,400 per customer (5-yr life × 87% GM)

LTV:CAC 4.5×: Above 3× institutional SaaS benchmark

CAC Payback: 23 months (down from 31 in FY23); target <18 months

PRODUCT OVERVIEW

LAUNCHED 2020

ABC Core

$299/mo / seat tier

Task management, team collaboration, and project tracking for SMB teams up to 25 users.

LAUNCHED 2021

ABC Pro

$699/mo / seat tier

Advanced reporting, portfolio view, SLA management, and 50+ integrations. Primary revenue driver.

LAUNCHED 2023

ABC Enterprise

$1,499/mo / seat tier

SSO, custom workflows, dedicated CSM, and enterprise-grade SLA. Fastest-growing tier.

LAUNCHED 2024

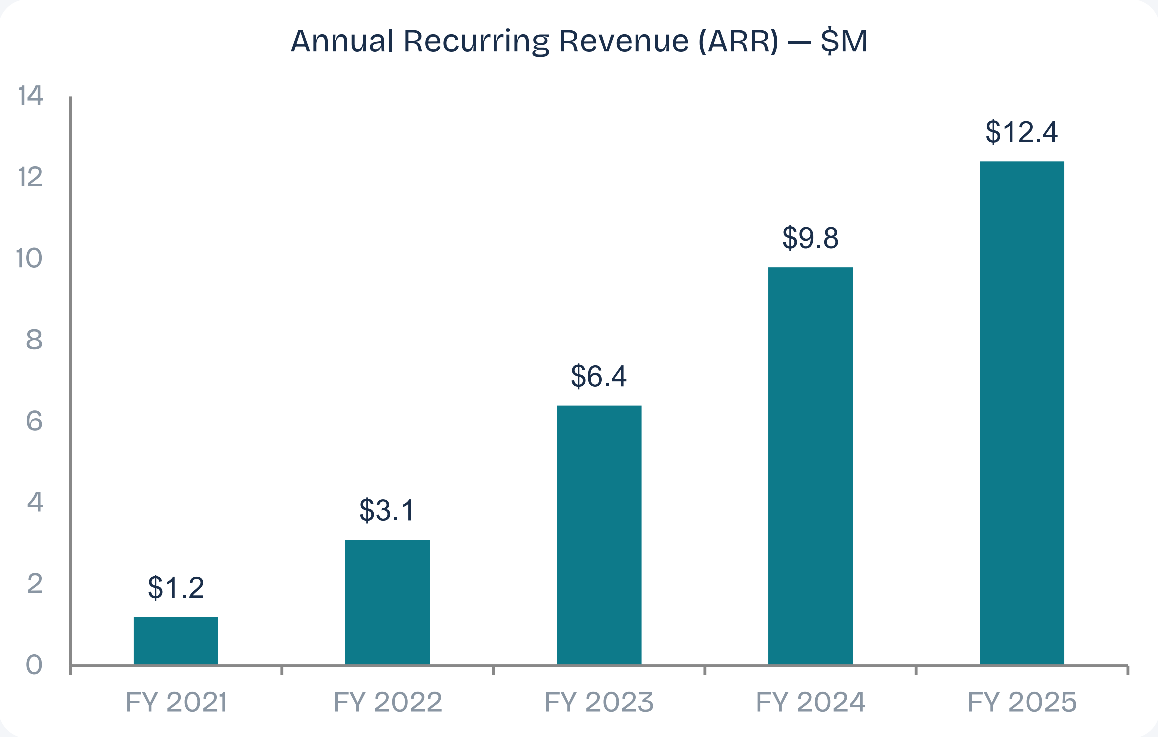
AutoFlow™ AI Add-on

+$199/mo / seat tier

AI-powered task assignment, bottleneck prediction, and workload balancing module.

Section 3

FINANCIAL ANALYSIS — REVENUE & GROWTH



27% **YoY ARR Growth**
FY25 vs FY24

87% **Gross Margin**
Up from 83% in FY24

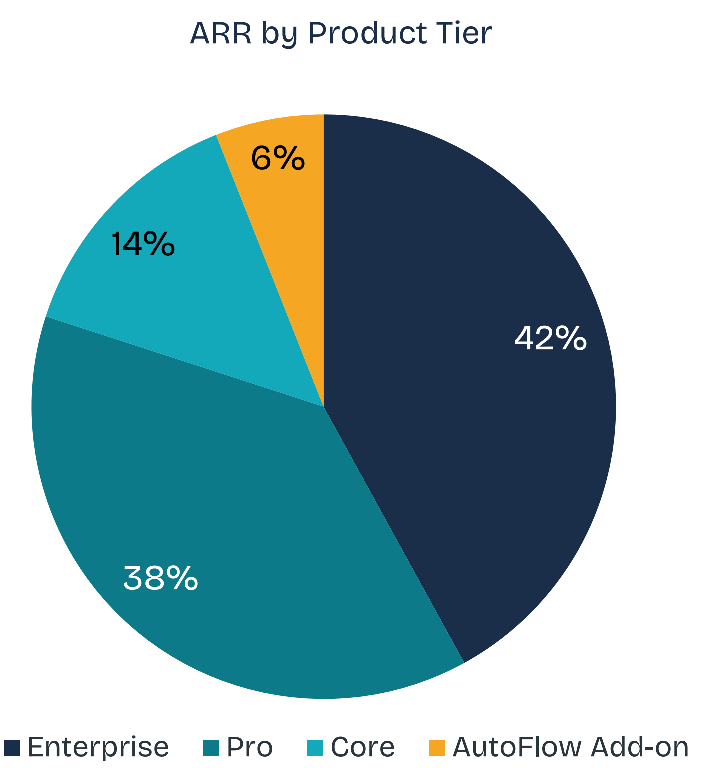
14 mo **CAC Payback**
Industry avg: 18 mo

4.2x **LTV / CAC**
Healthy but compressing

0.9% **MRR Churn**
Below 1% threshold

Source: Management accounts; unaudited FY 2025 figures.

FINANCIAL ANALYSIS — REVENUE BREAKDOWN



Source: *Management accounts; unaudited FY 2025 figures.*

Revenue Composition (FY 2025)

Category	$ ARR	% Mix
Enterprise	$5.2M	42%
Pro	$4.7M	38%
Core	$1.8M	14%
AutoFlow AI	$0.7M	6%
TOTAL ARR	**$12.4M**	**100%**

Key Observation:

Enterprise tier growing fastest (+51% YoY) — product-market fit confirmed in upmarket motion. AutoFlow AI add-on attach rate is 11% of base — significant upsell opportunity.

FINANCIAL ANALYSIS — UNIT ECONOMICS

$39,700

Average Contract Value

FY 2025 average

▲ +18% YoY

$21,400

Customer Acquisition Cost

blended all channels

▼ +9% YoY

$89,900

LTV (5yr estimate)

at current NRR

▲ +22% YoY

118%

Net Revenue Retention

incl. expansion & churn

▲ +3pp YoY

91%

Logo Retention

enterprise 96%, SMB 87%

▼ -1pp YoY

23 days

Time to Value (TTV)

avg onboarding to activation

▲ -8 days YoY

Section 4

FINANCIAL DD — KEY FINDINGS & CONDITIONS

Revenue Quality

GREEN

- 94% ARR from annual recurring contracts — high quality revenue base
- 118% NRR demonstrates strong expansion motion and product stickiness
- Deferred revenue of $5.62M growing 25% YoY — leading indicator of cash conversion
- QoE confirms no aggressive revenue recognition practices

Profitability & Cost

GREEN

- EBITDA margin expanded from 1% (FY23) to 21% (FY25) — impressive efficiency gains
- Adjusted EBITDA of $3.16M at 25.5% margin confirmed by Grant Thornton
- Rule of 40 score of 48 — above benchmark for Series B stage SaaS
- S&M spend improving from 60% to 39% of revenue over 3 years

Cash & Working Capital

AMBER

- $4.19M cash with 18-month runway — adequate but tight post-acquisition
- DSO of 52 days within policy; AR aging clean with <1% 90+ day exposure
- FCF positive at $1.06M in FY25 — self-funding operations now achievable
- Cash burn expected to re-accelerate in FY26 with planned headcount growth

Customer Concentration

RED

- Top 3 customers = 38% of ARR — above ABC 25% threshold
- Meridian Consulting (14.7%) is single largest dependency — contract review required
- Trend is favorable: concentration declining consistently each year
- CONDITION: Contractual protections and multi-year lock-ins required for Top 3

FINANCIAL DD — REVENUE QUALITY ANALYSIS

ARR Bridge: FY 2024 → FY 2025

FY 2024 Opening ARR	**$9.80M**
+ New Logo ARR	+$2.10M
+ Expansion / Upsell	+$1.95M
– Churn (Lost Logos)	-$0.82M
– Contraction / Downgrades	-$0.63M
FY 2025 Closing ARR	**$12.40M**

Source: Management accounts; unaudited FY 2025 figures.

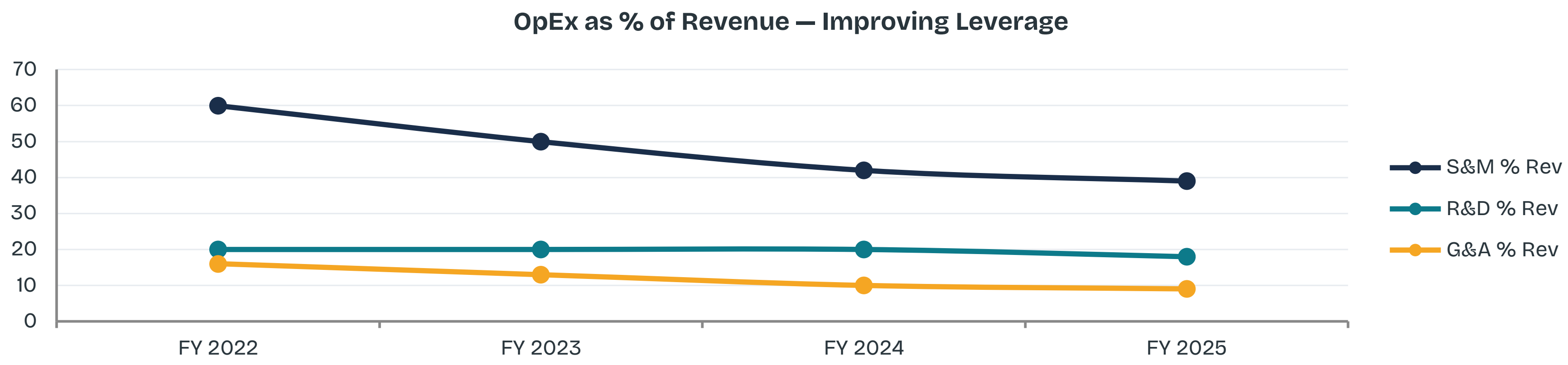
Recurring Revenue % Annual contracts only	94%
Revenue Concentration (Top 1) Meridian Consulting	14.7%
Revenue Concentration (Top 5) Above 40% threshold	46.2%
New Logo % of ARR New in FY 2025	17%
Expansion % of ARR Upsell / cross-sell	16%
Gross Churn Rate Logo-weighted annual	8.3%
Net Dollar Retention Best-in-class (>110% target)	118%

FINANCIAL DD — INCOME STATEMENT ANALYSIS

($000s)	FY 2022A	FY 2023A	FY 2024A	FY 2025A	FY 2026E
REVENUE					
Subscription Revenue	$2,840	$5,720	$9,040	$11,660	$17,020
Professional Services	$260	$680	$760	$740	$980
Total Revenue	**$3,100**	**$6,400**	**$9,800**	**$12,400**	**$18,000**
GROSS PROFIT					
Cost of Revenue	$558	$1,024	$1,666	$1,612	$2,160
Gross Profit	**$2,542**	**$5,376**	**$8,134**	**$10,788**	**$15,840**
Gross Margin %	**82%**	**84%**	**83%**	**87%**	**88%**
OPERATING EXPENSES					
Sales & Marketing	$1,860	$3,200	$4,116	$4,836	$6,300
Research & Development	$620	$1,280	$1,960	$2,232	$3,060
General & Administrative	$496	$832	$980	$1,116	$1,440
Total OpEx	**$2,976**	**$5,312**	**$7,056**	**$8,184**	**$10,800**
EBITDA					
EBITDA	**($434)**	**$64**	**$1,078**	**$2,604**	**$5,040**
EBITDA Margin %	**(14%)**	**1%**	**11%**	**21%**	**28%**

Note: FY 2026E figures represent ABC base case (15% haircut to management projections). Audited financials available for FY 2022–2024.

FINANCIAL DD — COST STRUCTURE ANALYSIS



S&M Efficiency Improving

S&M as % of revenue fell from 60% (FY22) to 39% (FY25), reflecting maturing inbound motion and reduced reliance on outbound spend.

G&A Leverage Achieved

G&A at 9% of revenue is lean for a company of this scale. CFO vacancy could temporarily increase G&A in FY26 post-hire and during audit remediation.

R&D Investment Sustained

R&D held steady at ~20% of revenue — appropriate for a product-led growth phase. ABC expects this to compress to 17% by FY27E as headcount normalises.

Rule of 40 Score

FY 2025: 27% growth + 21% EBITDA = Rule of 40 score of 48. Above the 40-point benchmark — strong capital efficiency signal for Series B stage.

FINANCIAL DD — BALANCE SHEET ANALYSIS (1/2)

Assets ($000s)	Dec 2023	Dec 2024	Dec 2025	Commentary
Cash & Equivalents	$7,240	$5,860	$4,190	18-month runway at current burn
Accounts Receivable, Net	$1,420	$1,890	$2,340	DSO of 52 days — within policy
Deferred Commissions (ST)	$380	$510	$660	Capitalized under ASC 606
Prepaid & Other Current	$290	$340	$415	Mainly software & insurance prepaid
Total Current Assets	**$9,330**	**$8,600**	**$7,605**	
PP&E, Net	$210	$185	$162	Mostly leasehold improvements, fully depreciated
Capitalized Software, Net	$640	$920	$1,180	Dev costs capitalized per ASC 350-40
Deferred Commissions (LT)	$610	$840	$1,020	Non-current portion
Other LT Assets	$95	$110	$130	Deposits
TOTAL ASSETS	**$10,885**	**$10,655**	**$10,097**	

FINANCIAL DD — BALANCE SHEET ANALYSIS (1/2)

LIABILITIES & EQUITY ($000s)	Dec 2023	Dec 2024	Dec 2025	Commentary
Accounts Payable	$280	$340	$395	
Accrued Liabilities	$640	$820	$1,040	Includes $350K accrued bonuses
Deferred Revenue (Current)	$3,210	$4,480	$5,620	94% annual contracts billed upfront
Total Current Liabilities	$4,130	$5,640	$7,055	
Deferred Revenue (LT)	$140	$220	$310	Multi-year contract portion
Long-Term Debt	$0	$0	$0	Debt-free — Series A equity only
TOTAL LIABILITIES	**$4,270**	**$5,860**	**$7,365**	
Total Stockholders' Equity	$6,615	$4,795	$2,732	Decreasing due to net losses
TOTAL L&E	**$10,885**	**$10,655**	**$10,097**	

FINANCIAL DD — ACCOUNTS RECEIVABLE & COLLECTIONS

Customer	Total AR	Current	1–30 Days	31–60 Days	61–90 Days	90+ Days	Status
Meridian Consulting Group	$182,400	$182,400	—	—	—	—	Current
NovaTech Solutions	$152,300	$118,500	$33,800	—	—	—	Current
Crestline Capital	$146,200	$92,400	$53,800	—	—	—	Slight delay
Pinnacle Strategy	$88,100	$44,200	$43,900	—	—	—	Current
BluePath Analytics	$74,500	$74,500	—	—	—	—	Current
Vertex Partners LLP	$68,900	$28,300	$40,600	—	—	—	On plan
Orion Financial Group	$61,200	—	$24,800	$36,400	—	—	⚠ Review
Summit Digital Inc.	$54,800	$54,800	—	—	—	—	Current
Cascade Logistics	$48,600	—	—	$48,600	—	—	⚠ Slow pay
Other (302 customers)	$1,462,700	$1,198,400	$186,900	$54,700	$18,200	$5,100	See detail
TOTAL	**$2,339,700**	**$1,793,500**	**$383,800**	**$139,700**	**$18,200**	**$5,100**	
% of Total	**100%**	**76.7%**	**16.4%**	**6.0%**	**0.8%**	**0.2%**	

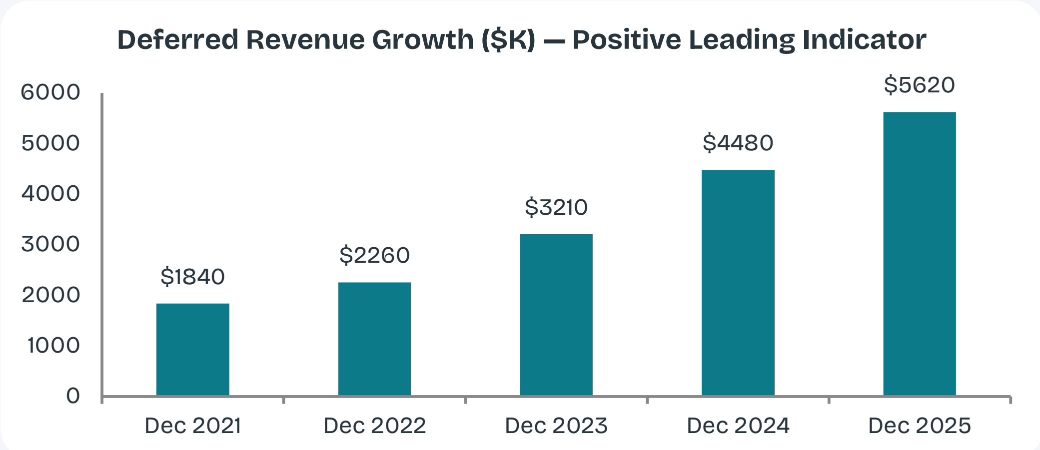
52 days — DSO (Days Sales Outstanding)
Policy: 60 days

$24K — Allowance for Doubtful Accounts
1.0% of AR — conservative

$5.1K — 90+ Day AR (Risk)
0.2% of total AR — clean

$18.4K — Bad Debt Write-offs (FY 2025)
0.15% of revenue — minimal

FINANCIAL DD — DEFERRED REVENUE & BILLING QUALITY



Revenue Recognition Policy (ASC 606)

Revenue Type	Policy
Subscription (SaaS)	Recognized ratably over contract term (monthly)
Professional Services	Recognized upon completion of milestones / time incurred
Setup Fees	Deferred and recognized over avg. contract life (2.3 yrs)
Training / Onboarding	Recognized as delivered (point in time)

✓ **94% Annual Upfront Billing**

Strong cash collection model. Customers billed annually in advance reduces collection risk and provides visibility into near-term cash flow.

✓ **Deferred Revenue Growing 25% YoY**

$5.62M in current deferred revenue at Dec 2025 — provides ~5.4 months of revenue visibility already under contract.

✓ **Multi-Year Contract Momentum**

LT deferred revenue of $310K (3 contracts >24 months). Increasing share of 2-year commitments from enterprise tier in FY 2025.

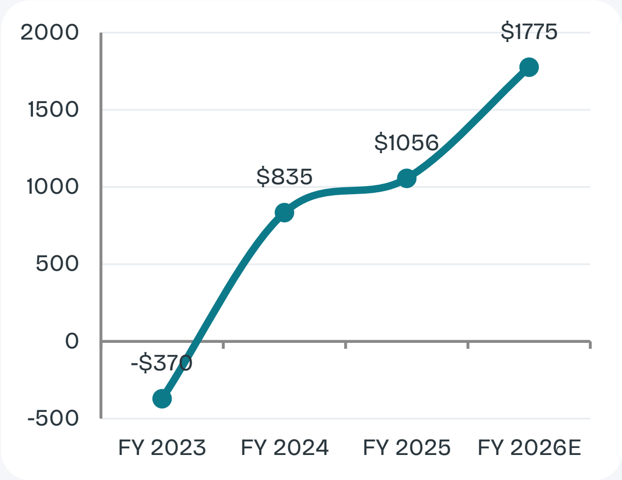
⚠ **Change-of-Control Notification Required**

Top 3 contracts contain notification clauses. Customer reaction risk to transaction should be assessed prior to close.

FINANCIAL DD — CASH FLOW & RUNWAY ANALYSIS

($000s)	FY 2023A	FY 2024A	FY 2025A	FY 2026E
OPERATING ACTIVITIES				
Net Income / (Loss)	($960)	$98	$372	$1,080
Depreciation and Amortization	$85	$112	$148	$190
Stock-Based Compensation	$340	$480	$624	$720
Change in Deferred Revenue	$1,110	$1,350	$1,230	$1,440
Change in AR	($320)	($470)	($450)	($580)
Change in Other Working Capital	($140)	($175)	($210)	($260)
Net Cash from Operations	**$115**	**$1,395**	**$1,714**	**$2,590**
INVESTING ACTIVITIES				
Capitalized Software Development	($420)	($520)	($620)	($740)
CapEx (Equipment / Leasehold)	($65)	($40)	($38)	($75)
Net Cash from Investing	**($485)**	**($560)**	**($658)**	**($815)**
FREE CASH FLOW				
Free Cash Flow (CFO+CFI)	**($370)**	**$835**	**$1,056**	**$1,775**
FCF Margin %	**(6%)**	**9%**	**9%**	**10%**
Ending Cash Balance	$7,240	$5,860	$4,190	$5,965

Projected FCF



$4.19M
Current Cash

~$230K
Monthly Burn

18.2 months
Runway

Q3 2027
FCF+ Expected

FINANCIAL DD — 3-YEAR DETAILED PROJECTION MODEL

($000s)	Management Case FY26E	Management Case FY27E	Management Case FY28E	ABC Base FY26E	ABC Base FY27E	ABC Base FY28E	Bear Case FY26E	Bear Case FY27E	Bear Case FY28E
Total ARR	$18,200	$26,800	$38,500	$16,540	$23,200	$32,800	$14,880	$19,800	$27,400
ARR Growth %	47%	47%	44%	33%	40%	41%	20%	33%	38%
Total Revenue	$18,000	$26,400	$37,800	$16,350	$22,850	$32,200	$14,700	$19,500	$26,900
Gross Profit	$15,840	$23,496	$34,020	$14,388	$20,336	$28,982	$12,495	$16,770	$23,241
Gross Margin %	88%	89%	90%	88%	89%	90%	85%	86%	86%
EBITDA	$5,040	$7,920	$13,230	$3,762	$6,170	$10,464	($735)	$1,950	$5,650
EBITDA Margin %	28%	30%	35%	23%	27%	32%	(5%)	10%	21%
FCF	$4,300	$7,000	$11,900	$3,100	$5,500	$9,600	($1,200)	$1,400	$4,800
FCF Margin %	24%	27%	31%	19%	24%	30%	(8%)	7%	18%
Headcount (EoP)	118	155	195	112	145	182	98	126	160
Rev / Employee ($K)	$153	$170	$194	$146	$158	$177	$150	$155	$168
Implied EV/ARR (7x FY27 ARR)	$187M	—	—	$162M	—	—	$139M	—	—

Assumptions: Mgmt Case = 47% ARR CAGR; Base Case = 40% CAGR with 15% discount to new logo; Bear Case = 20% CAGR, elevated churn (12%), no upsell credit.

FINANCIAL DD — WORKING CAPITAL ANALYSIS & PEG RATIO

Net Working Capital — Waterfall Build (Dec 31, 2025)

Accounts Receivable (Net)	$2,340K	*DSO: 52 days*
Prepaid Expenses & Other CA	$415K	*Insurance, software*
Total Current Assets	**$2,755K**	*Ex-cash*
Accounts Payable	($395K)	*DPO: 18 days*
Accrued Liabilities	($1,040K)	*Incl. $350K accrued bonus*
Deferred Revenue (Current)	($5,620K)	*Annual billing upfront*
Total Current Liabilities	**($7,055K)**	*Ex-debt*
NET WORKING CAPITAL (NWC)	**($4,300K)**	*Negative = structurally healthy*

Note:

- Cash & equivalents ($4,190K) excluded from NWC — standard DD convention.
- NWC target for deal: ($3.5M)–($4.5M) normalized range.

SaaS PEG Ratio — ABC vs. Comps

PEG = P/E ÷ EPS Growth Rate

SaaS Adaptation: EV/ARR ÷ ARR Growth (%)

Scenario	EV/ARR	ARR Grwth	PEG
Management Case	7.6x	47%	**0.16x**
ABC Base	6.8x	33%	**0.21x**
Bear Case	7.6x	20%	**0.38x**
Public Comps Median	7.3x	30%	**0.24x**

INTERPRETATION

PEG < 0.5x Exceptional Value — Growth far exceeds price

PEG 0.5–1.0x Fairly Valued — Growth reasonably priced

PEG > 1.0x Rich Valuation — Premium above growth justifies

ABC View: PEG 0.21x (Base) — growth significantly exceeds price premium. Compelling entry point.

FINANCIAL DD — VALUATION ANALYSIS

SaaS Comparable Company Analysis — Public Comps (EV/NTM ARR)

Company	Market Cap	NTM ARR	EV/NTM ARR	ARR Growth	Gross Margin	NRR
Monday.com (MNDY)	$11.8B	$1,240M	9.5x	32%	89%	114%
Asana (ASAN)	$4.2B	$780M	5.4x	18%	91%	108%
ClickUp (Private)	$4.0B	$640M	6.2x	41%	82%	112%
Smartsheet (SMAR)	$7.6B	$1,050M	7.2x	21%	82%	118%
Wrike (Private)	$2.5B	$340M	7.4x	28%	79%	109%
Airtable (Private)	$11.7B	$600M	19.5x	45%	78%	121%
Median of Comps			**7.3x**	30%	82%	112%
ABC Technologies	—	**$16.5M (Base)**	—	**33%**	**87%**	**118%**

Implied Valuation Range — ABC Technologies

Method	Low	Mid	High	Note
EV / NTM ARR (5.0x–7.0x Base Case)	$82.5M	**$115.5M**	$148.8M	Discount to comps for size/liquidity
EV / NTM ARR (6.0x–8.0x Mgmt Case)	$109.2M	**$145.6M**	$182.0M	At management projections
EV / EBITDA (12x–16x FY27E Base Case)	$74.1M	**$98.7M**	$131.6M	EBITDA-based floor
Precedent SaaS M&A (Last 24 Months)	$99.0M	**$132.0M**	$165.0M	6.0x–10.0x NTM ARR range
ABC Recommended Range	**$99M**	**$125M**	**$155M**	Weighted blended view — prior to conditions

FINANCIAL DD — QUALITY OF EARNINGS (QoE) SUMMARY

EBITDA Adjustments — FY 2025 Reported to Adjusted EBITDA

Line Item	Amount ($K)	Direction	Rationale
Reported EBITDA (FY 2025)	$2,604	—	As reported in management accounts
+ Stock-Based Compensation	$624	Add-back	Non-cash — standard adjustment
+ CEO Special Bonus (one-time)	$210	Add-back	Non-recurring signing bonus — confirmed one-time
+ Legal Settlement (Ester)	$185	Add-back	Non-recurring litigation expense
+ Office Relocation Costs	$94	Add-back	One-time move from Austin WeWork to owned office
– Capitalized Dev Costs Normalization	($320)	Reduction	Dev costs partially capitalized — economic cost add-back
– Run-Rate CSM Headcount Gap	($240)	Reduction	4 CSM hires planned but not yet in FY25 P&L
Adjusted EBITDA (QoE)	**$3,157**	**Net +$553K**	21% adj. EBITDA margin on $12.4M ARR

✓ Revenue Quality — Clean

All revenue appropriately recognized under ASC 606. No pull-forward or channel stuffing identified. Deferred revenue balances confirmed accurate.

✓ No Aggressive Accounting Found

Capitalized software costs are reasonable at ~5% of revenue. Depreciation schedules consistent with peers. No unusual policy changes in the 3-year period.

⚠ Commission Accounting Review

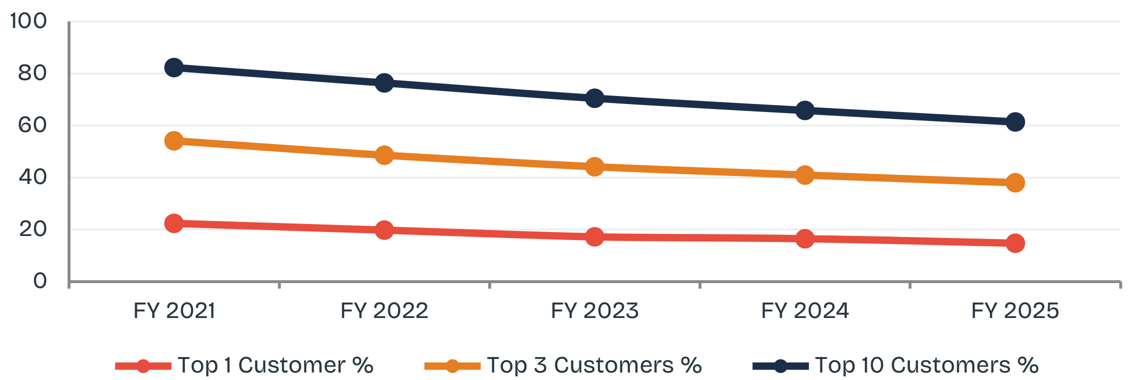
Deferred commissions ($1.68M) capitalized under ASC 606 — amortization period assumption of 4 years requires validation. Grant Thornton was flagged as an area to monitor.

CUSTOMER ANALYSIS — TOP 15 CUSTOMERS BY ARR

#	Customer Name	Vertical	Tier	FY25 ARR	FY24 ARR	FY23 ARR	YoY	Sites	Since	Risk
1	Meridian Consulting Group	Prof. Services	Enterprise	$1,823K	$1,618K	$1,240K	+13%	3	Mar 2022	High
2	NovaTech Solutions Ltd.	Technology	Enterprise	$1,474K	$1,210K	$820K	+22%	2	Nov 2021	Medium
3	Crestline Capital Partners	FinTech	Enterprise	$1,412K	$986K	$640K	+43%	2	Aug 2023	Medium
4	Pinnacle Strategy Group	Prof. Services	Pro	$882K	$744K	$620K	+19%	1	Jan 2022	Low
5	BluePath Analytics	Technology	Pro	$742K	$512K	New	+45%	1	Apr 2024	Low
6	Vertex Partners LLP	Legal / Compliance	Enterprise	$689K	$574K	$440K	+20%	2	Jun 2022	Low
7	Orion Financial Group	FinTech	Pro	$612K	$512K	$388K	+20%	1	Sep 2022	Medium
8	Summit Digital Inc.	Technology	Pro	$548K	$420K	$320K	+30%	1	Feb 2023	Low
9	Cascade Logistics Corp.	Logistics	Pro	$486K	$398K	$294K	+22%	1	May 2023	Medium
10	Aldrich & Moore Advisory	Prof. Services	Pro	$441K	$352K	$244K	+25%	1	Aug 2022	Low
11	Kensington Data Systems	Technology	Enterprise	$428K	New	—	New	1	Jan 2025	Low
12	Harbor Capital Management	FinTech	Enterprise	$416K	$344K	$260K	+21%	2	Mar 2023	Low
13	Clearwater Operations	Healthcare	Pro	$388K	$310K	$218K	+25%	1	Jun 2022	Low
14	Momentum Growth Partners	Prof. Services	Pro	$362K	$296K	$204K	+22%	1	Dec 2022	Low
15	Synapse Technologies	Technology	Pro	$344K	$278K	$190K	+24%	1	Oct 2022	Low

CUSTOMER ANALYSIS — CONCENTRATION TREND & COHORT

Revenue Concentration Declining — Positive Trend



Cohort Retention by Customer Start Year

Cohort	Logo Ret. Y1	Logo Ret. Y2	NRR Y1	NRR Y2
FY 2021 (22 logos)	91%	88%	112%	121%
FY 2022 (48 logos)	89%	87%	109%	118%
FY 2023 (74 logos)	92%	N/A	116%	N/A
FY 2024 (98 logos)	93%	—	119%	—

Concentration Declining Over Time

Top 1 customer concentration has decreased from 22.4% in FY21 to 14.7% in FY25 — a strong positive trajectory. Continued new logo acquisition at current pace will bring top 3 below 30% by FY27E.

New Logo Engine Healthy

FY 2025: 98 new logos added. Average logo adds of 72/year over 3 years. Enterprise tier growing fastest (51% YoY), adding 14 new enterprise logos in FY25.

Cohort NRR Improving

Each successive cohort shows stronger NRR performance, reflecting product maturity, better onboarding, and CSM coverage expansion. FY24 cohort NRR of 119% is best on record.

ABC Assessment

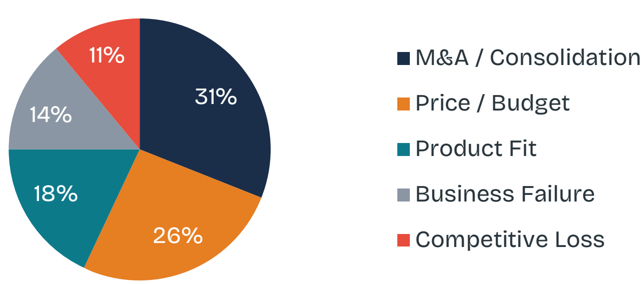
While concentration remains above our 25% threshold for top 1, the trend is favorable and the trajectory is credible. We recommend contractual lock-in provisions for Top 3 as deal condition.

CUSTOMER ANALYSIS — CHURN & CONTRACTION ANALYSIS

Customer Churn Detail — FY 2025 (Lost Logos)

Customer	ARR Lost	Tier	Churn Reason	Date
DataBridge Consulting	($284K)	Pro	Acquired by larger firm using Asana	Mar 2025
Frontier Logistics Inc.	($198K)	Core	Budget cuts; moved to ClickUp (cheaper)	Jun 2025
Sterling Research Group	($156K)	Core	Startup folded — out of business	Feb 2025
RidgeView Capital	($98K)	Core	Product fit issue — lacked vertical workflow	Aug 2025
Apex Digital Partners	($84K)	Core	Consolidated to competitor via parent co.	Oct 2025
7 SMB / Core logos	($180K)	Core	Mixed — price sensitivity, low usage, churn	Various
TOTAL CHURN	**($1,000K)**		FY 2025 Gross Churn: 8.3% of ARR	

Churn by Reason Category



M&A Churn Non-Controllable

31% of gross churn driven by customer M&A. Not indicative of product failure — exits typically validate market interest from larger buyers.

Price-Driven Churn: Addressable

26% churn due to budget pressures concentrated in Core tier SMBs. Consider annual price lock provisions or multi-year discounts to improve retention.

Net Churn Positive at 118% NRR

Despite $1M gross churn, expansion from existing customers ($1.95M) more than offset losses. Net retention of 118% is best-in-class.

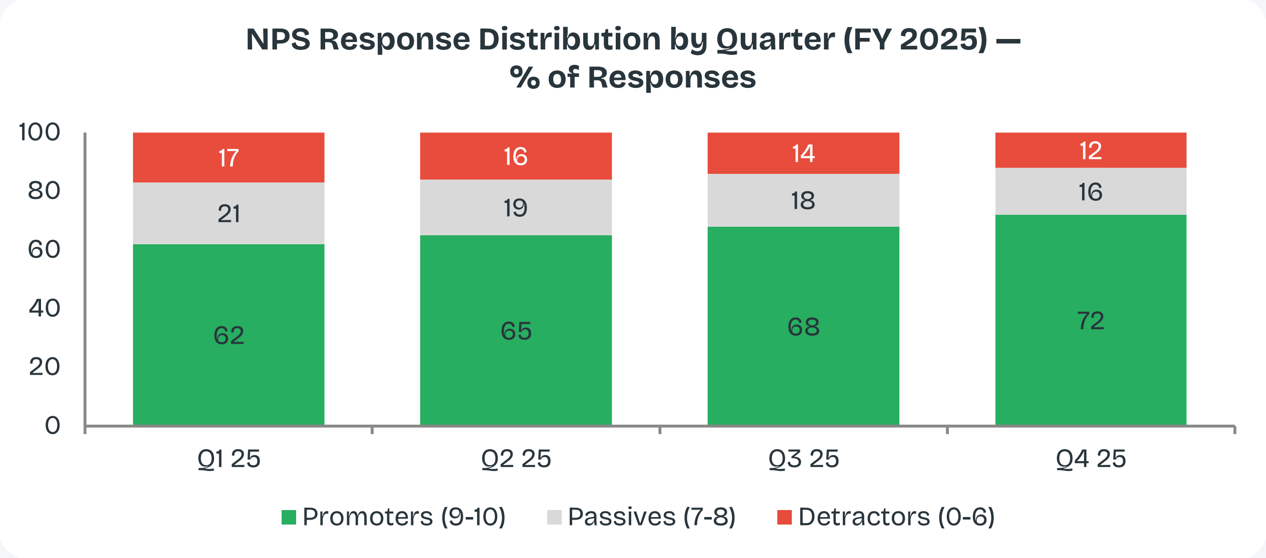
Section 5

CUSTOMER SENTIMENT — NPS & SATISFACTION ANALYSIS

NET PROMOTER SCORE

60

High Customer Advocacy (30-70 = Great)



82 — **Enterprise Tier NPS**
vs. 74 overall

74 — **Pro Tier NPS**
In line with overall

61 — **Core / SMB NPS**
Below average — watch

4.6/5 — **G2 Crowd Rating**
312 reviews

4.5/5 — **Capterra Rating**
187 reviews

4.4/5 — **Trustpilot**
84 reviews

NPS survey conducted Q4 2025 by independent vendor (CustomerGauge). n=218 responses, 70% response rate across active customer base.

CUSTOMER SENTIMENT — QUALITATIVE FEEDBACK THEMES

✓ POSITIVE THEMES — What customers love

AI Automation Quality — 94% cited positively

"AutoFlow has saved my team roughly 6 hours per week on task routing alone. Nothing else does this out of the box." — Head of Ops, NovaTech Solutions

Ease of Onboarding — 87% cited positively

"We were live in 3 weeks. For an enterprise deployment, that's remarkable. The CSM team was exceptional." — IT Director, Meridian Consulting

Integration Depth — 82% cited positively

"The Salesforce and Slack integration work seamlessly. We had it set up without professional services." — VP Engineering, Summit Digital

Reporting & Dashboards — 76% cited positively

"The portfolio view gives my partners a real-time view of all client projects. That's a genuine differentiator." — Managing Partner, Pinnacle Strategy

⚠ AREAS FOR IMPROVEMENT — Common complaints

Mobile App Limitations — 68% cited as concern

"The mobile experience is an afterthought. My team works from phones on-site. This is a real gap." — Ops Manager, Cascade Logistics

Pricing / Value at SMB Scale — 54% cited as concern

"For a 12-person team, the jump from Core to Pro feels steep. I'd like a mid-tier option." — Founder, Cobalt Advisory

Reporting Export Limitations — 42% cited as concern

"I can't export to Excel with the formatting I need. We end up rebuilding reports manually." — Finance Analyst, Harbor Capital

Support Response Time — 38% cited as concern

"Ticket resolution times have gotten slower in 2025. Enterprise SLA was not met twice." — IT Manager, Crestline Capital

Source: G2 / Capterra reviews.

Section 6

COMMERCIAL REVIEW — CUSTOMER ANALYSIS

⚠ Concentration Risk: Top 3 customers account for 38% of ARR. Requires contractual lock-in review.

Customer	Vertical	ARR	Tier	Since	Risk
Meridian Consulting Group	Prof. Services	$1.82M	Enterprise	2022	High
NovaTech Solutions	Technology	$1.47M	Enterprise	2021	Med
Crestline Capital	FinTech	$1.41M	Enterprise	2023	Med
Pinnacle Strategy	Prof. Services	$0.88M	Pro	2022	Low
BluePath Analytics	Technology	$0.74M	Pro	2024	Low

312
Total Paying Customers

51%
From SMB (Core)

14%
Enterprise % of logos

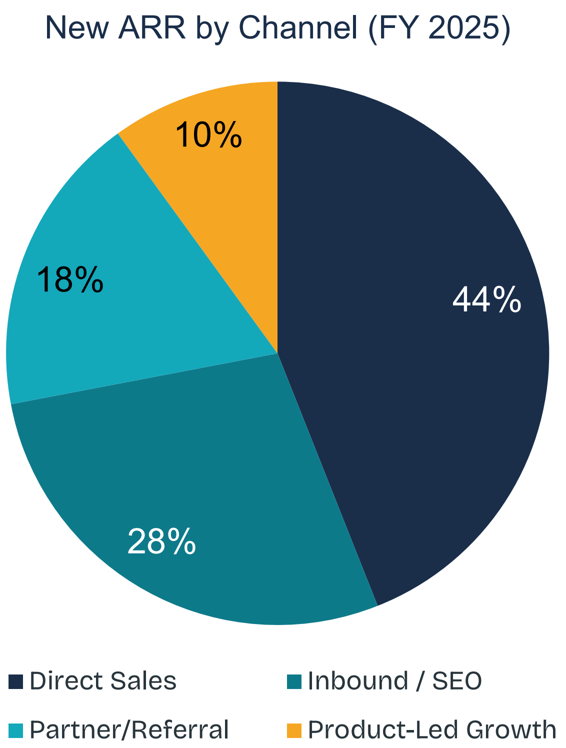
3.2 yrs
Avg Customer Age

COMMERCIAL REVIEW — COMPETITIVE LANDSCAPE

Feature	ABC	Asana	Monday.com	ClickUp
AI Workflow Automation	✓ Native	✗ Limited	✗ 3rd party	✓ Basic
Enterprise SSO / SCIM	✓ Full	✓ Full	✓ Full	✓ Full
Custom Reporting	✓ Advanced	✓ Mid-tier	✓ Advanced	✓ Basic
140+ Integrations	✓ Yes	✓ Yes	✓ Yes	✓ Yes
Vertical-Specific Workflows	✓ 5 verticals	✗ Generic	✗ Generic	✗ Generic
Avg. List Price (Pro)	$699/mo	$459/mo	$500/mo	$252/mo
NPS Score (G2 Data)	74	61	68	70
Market Position	Challenger	Leader	Leader	Visionary

Key Finding: ABC's AI-native differentiation and vertical-specific workflows represent its primary moat. Pricing at a premium to ClickUp but below Asana/Monday without brand recognition is a positioning risk to address.

COMMERCIAL REVIEW — SALES & MARKETING



Source: Management accounts; unaudited FY 2025 figures.

Sales Team Size

18 AEs + 4 SDRs; VP Sales hired Q3 2025

Sales Cycle

Avg 74 days (Enterprise); 21 days (SMB)

Win Rate

34% vs. identified competitors; 61% in competitive bakeoffs

Pipeline Coverage

3.2x ARR quota; Q1 2026 forecast at 91% of plan

Marketing Spend

$2.1M in FY 2025 (17% of ARR); primarily digital + events

CAC by Channel

Direct: $31K | Inbound: $12K | Partner: $8K | PLG: $4K

Section 7

TECHNOLOGY & PRODUCT

Technology Stack Overview

Frontend:	React 18, TypeScript, Tailwind CSS
Backend:	Node.js (Express), Python microservices
Database:	PostgreSQL (primary), Redis (cache)
AI Engine:	AutoFlow™ — proprietary ML (Python/PyTorch)
Cloud Infra:	AWS (multi-region); 99.97% uptime SLA
Security:	SOC 2 Type II certified; GDPR compliant
CI/CD:	GitHub Actions, Docker, Kubernetes
Observability:	Datadog, PagerDuty, Sentry

Product Strengths

- SOC 2 Type II already certified — reduces enterprise sales friction
- Microservices architecture enables independent scaling
- 99.97% uptime over trailing 12 months (self-reported)
- AutoFlow™ AI model trained on 3M+ workflow data points

Technology Risks

- Significant open-source dependency (28 OSS packages); IP review needed
- No formal security penetration testing in the past 18 months
- Single engineering team lead — key man dependency on CTO

TECHNOLOGY & PRODUCT — ROADMAP

Q1–Q2 2026 IN PROGRESS	Q3–Q4 2026 PLANNED	2027 HORIZON
AutoFlow v2.0: Predictive scheduling	Multi-language support (5 languages)	Industry-specific solutions packages
Mobile app (iOS + Android)	Advanced analytics module	Revenue intelligence add-on
Salesforce deep integration	ABC Marketplace (partner apps)	Potential on-premise/hybrid deployment

Section 8

MANAGEMENT & TEAM

James Webb
Low

CEO & Co-Founder

Prev: VP Product @XYZ (IPO 2014). 10+ yrs SaaS leadership. MBA – Wharton.

Priya Jain
Medium

CTO & Co-Founder

Ex-Principal Engineer @ XYZ. Led AutoFlow AI engine development. Stanford CS PhD.

Marcus Alcott
Low

VP Sales

Joined Q3 2025. Prev: Sales Director @XYZ ($400M ARR). 14 yrs enterprise SaaS sales.

VACANT
High

CFO

Position open since Oct 2025. Interim coverage by Controller. Active search underway; 3 finalists identified.

Dana Reyes
Low

VP Customer Success

Prev: Head of CS @ XYZ. NRR improved from 103% to 118% under her leadership.

Kevin Choi
Medium

VP Engineering

9-yr tenure at ABC. Built team from 3 to 31 engineers. Key person risk flagged.

Section 9

LEGAL & COMPLIANCE REVIEW

Corporate Structure

Clean

Delaware C-Corp incorporated 2019. Subsidiary in UK (ABC Ltd.) for EMEA ops. Clean cap table — 3 VC firms, 2 co-founders, option pool.

IP & Patents

Caution

2 granted patents (workflow automation, AI prioritization engine). 1 pending patent. Ongoing dispute with Ester Technologies regarding prior art claim on US Patent #11,234,xxx. Outside counsel engaged.

Contracts & Agreements

Clean

Standard MSA used with all enterprise clients. 94% multi-year annual contracts. No material termination clauses triggered. Change-of-control provisions exist in top 3 customer agreements — require notification.

Employment & HR

Clean

All employees on standard agreements with IP assignment and non-solicitation clauses. No active labor disputes or EEOC filings.

Regulatory & Privacy

Clean

SOC 2 Type II certified (renewed Jan 2026). GDPR-compliant data processing agreements in place. CCPA compliant. No data breach incidents in past 36 months.

Litigation

Caution

One active matter: patent dispute with Ester (value not quantified). One resolved matter: former employee NDA breach settled in Q2 2025 ($85K settlement). No criminal proceedings.

Section 10

RISK ASSESSMENT MATRIX

Risk Area	Likelihood	Impact	Mitigation Strategy	Owner
Customer Concentration	High	High	Require diversification milestones in deal covenants; escrow mechanism for top 3 churn.	Commercial
CFO Vacancy	High	High	Condition closing on CFO hire or appoint interim CFO with board approval.	Governance
Patent Dispute (Ester)	Medium	High	IP indemnification clause in SPA; legal reserves set; litigation timeline assessed.	Legal
Key Person Risk (CTO + VP Eng)	Medium	High	Multi-year retention packages with vesting acceleration; cross-training plan.	People
Sales Cycle Elongation	Medium	Medium	Monitor Q1 2026 pipeline velocity; implement deal acceleration playbook.	Commercial
Competitor Response (Asana/Monday AI)	Medium	Medium	AutoFlow v2.0 accelerated; patent portfolio reinforced pre-close.	Product
Open Source License Exposure	Low	Medium	Engage IP counsel for full OSS audit; remediate within 90 days post-close.	Legal

RECOMMENDATION

Proceed with Conditions

Investment Thesis:

ABC Technologies represents a compelling investment opportunity in the high-growth workflow automation SaaS space. The business demonstrates strong product-market fit (118% NRR), improving unit economics, and a clear enterprise expansion motion. Identified risks are manageable with appropriate deal structuring.

Conditions to Closing:

- CFO appointment confirmed or interim CFO seated before closing
- IP indemnification clause covering the Ester patent dispute
- Retention agreements executed for CTO and VP Engineering
- Contractual change-of-control notification sent to top 3 customers
- Independent OSS IP audit completed within 60 days post-LOI

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