

# 4Q24

## Quarterly Report

June 1 2024 – August 30 2024  
FY2023-2024

**STRATFORD  
MERIDIAN**

# Executive Summary

Stratford Meridian delivered a strong spring quarter with sequential growth in recurring revenue and continued discipline in operating costs. Performance was led by expansion in contracted subscriptions and stable delivery costs, resulting in high gross margins and substantial operating profitability.

## Key Highlights

- Revenue (recognized): \$4,200.00
- Gross Margin: 82.5%
- Operating Margin: 69.2%
- GAAP Net Income: \$2,905.00
- Ending Cash: \$4,790.00
- MRR<sup>1</sup> (end): \$1,400.00 (ARR<sup>2</sup> \$16,800.00)
- Active Customers: 6 (New: 4; Lost: 1; Churn<sup>3</sup>: 50.0%)

## Income Statement (GAAP, Accrual) — Table 1.1

Line Item	Amount (USD)
<b>Revenue<sup>4</sup></b>	
WAD (Website-in-a-Day) <sup>5</sup>	\$300.00
Custom Websites (Setup)	\$0.00
Custom Website Maintenance	\$0.00
eSAM CRM (SaaS) <sup>6</sup>	\$3,900.00
Deferred Revenue Recognized <sup>7</sup>	\$0.00

<sup>1</sup> MRR represents contracted monthly recurring fees as of the final day of the reporting period and excludes one-time or usage-based amounts unless otherwise indicated.

<sup>2</sup> ARR is a run-rate figure calculated as  $MRR \times 12$ . ARR is an operating metric and not a GAAP measure.

<sup>3</sup> Churn refers to **logo churn** for the quarter (customers lost  $\div$  customers at period start). Operating definitions may evolve as scale increases.

<sup>4</sup> Revenue is recognized in accordance with ASC 606 when control of services transfers to the customer; amounts exclude taxes collected on behalf of governmental authorities. Contract structures include recurring subscriptions and implementation-related services; variable consideration (if any) is constrained until probable and estimable

<sup>5</sup> WAD comprises lower-ticket website subscriptions typically recognized ratably over the service term.

<sup>6</sup> eSAM CRM (SaaS) represents contracted subscription services recognized ratably over the contract term; customer counts are based on active, paying accounts at period end.

<sup>7</sup> Deferred revenue reflects billings in advance of performance obligations; no recognition this period.

<b>Total Revenue</b>	<b>\$4,200.00</b>
<b>Cost of Goods Sold (COGS)<sup>8</sup></b>	
Contractors	\$50.00
Software Tools (Direct)	\$630.00
Hosting & Domains	\$55.00
Refunds	\$0.00
<b>Total COGS</b>	<b>\$735.00</b>
<b>Gross Profit<sup>9</sup></b>	<b>\$3,465.00</b>
<b>Operating Expenses (OPEX)</b>	
Marketing & Sales	\$300.00
General & Administrative (G&A)	\$150.00
Professional Services	\$0.00
Subscriptions & SaaS	\$100.00
Travel & Meals	\$10.00
Depreciation	\$0.00
<b>Total OPEX</b>	<b>\$560.00</b>
<b>Operating Income</b>	<b>\$2,905.00</b>
Interest (Income)/Expense	\$0.00
Income Taxes (pro forma)	\$0.00
<b>Net Income (GAAP)<sup>10</sup></b>	<b>\$2,905.00</b>

<sup>8</sup>COGS includes delivery-specific software, hosting, and contractors directly attributable to revenue; personnel not directly involved in delivery are classified within OPEX.

<sup>9</sup> Gross Margin = Gross Profit ÷ Total Revenue = **82.5%**.

<sup>10</sup> Net Income equals Operating Income this quarter; the Company is a single-member LLC (see tax policy note). *Rounding note: Totals may not foot due to rounding.*

## Balance Sheet (GAAP, Accrual) — Table 1.2

Line Item	Amount (USD)
<b>Assets</b>	
<b>Current Assets</b>	
Cash and Cash Equivalents <sup>11</sup>	\$4,790.00
Accounts Receivable <sup>12</sup>	\$0.00
Prepaid Expenses	\$0.00
<b>Total Current Assets</b>	<b>\$4,790.00</b>
<b>Long-Term Assets</b>	
Property & Equipment (net) <sup>13</sup>	\$0.00
<b>Total Assets</b>	<b>\$4,790.00</b>
<b>Liabilities &amp; Owner's Equity</b>	
<b>Current Liabilities</b>	
Accounts Payable <sup>14</sup>	\$50.00
Deferred Revenue	\$0.00
<b>Total Liabilities</b>	<b>\$50.00</b>
<b>Owner's Equity<sup>15</sup></b>	
<b>Owner's Equity (balancing figure)</b>	<b>\$4,740.00</b>

<sup>11</sup> Cash includes balances on deposit with U.S. financial institutions; balances may from time to time exceed FDIC insurance limits. The Company monitors counterparty risk and has not experienced losses in such accounts.

<sup>12</sup> No receivables were outstanding at period end; historical credit losses have been immaterial.

<sup>13</sup> No long-lived assets were capitalized during the period; management evaluated indicators of impairment and noted none.

<sup>14</sup> Accounts payable comprises vendor invoices incurred but unpaid as of period end; customary payment terms are 15–30 days.

<sup>15</sup> Equity reflects cumulative owner contributions/draws and retained earnings (undistributed profits). An owner draw of **\$100.00** occurred this quarter (see cash flows).

<b>Total Liabilities &amp; Equity</b>	<b>\$4,790.00</b>
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## Statement of Cash Flows — Table 1.3

Cash Flow Activity	Amount (USD)
<b>Cash Flows from Operating Activities</b>	
Customer receipts	\$4,200.00
Vendor payments	\$(1,295.00)
<b>Net cash from operating activities</b>	<b>\$2,905.00</b>
<b>Cash Flows from Investing Activities</b>	
Purchases of equipment	\$0.00
<b>Net cash from investing activities</b>	<b>\$0.00</b>
<b>Cash Flows from Financing Activities</b>	
Owner contributions/(distributions) <sup>16</sup>	\$(100.00)
<b>Net cash from financing activities</b>	<b>\$(100.00)</b>
<b>Net increase in cash</b>	<b>\$2,805.00</b>
<b>Ending cash balance<sup>17</sup></b>	<b>\$4,790.00</b>

<sup>16</sup> Represents net owner draw. The Company has no third-party debt outstanding this quarter.

<sup>17</sup> Ending cash reconciles to the Balance Sheet. Reconciliation to prior quarter: beginning cash **\$1,985.00**  
+ net increase **\$2,805.00** = **\$4,790.00**.

## Operating KPIs — Table 1.4

KPI	Value
<b>Recurring Revenue</b>	
MRR <sup>18</sup> (end of period)	\$1,400.00
ARR (run-rate) <sup>19</sup>	\$16,800.00
<b>Customer Metrics</b>	
Active Customers	6
New Customers (Quarter)	4
Churned Customers	1
Logo Churn <sup>20</sup>	50.0%
<b>Unit Economics</b>	
CAC (per new customer) <sup>21</sup>	\$75.00
LTV (per customer) <sup>22</sup>	\$2,400.00
LTV/CAC	32.0×

<sup>18</sup> MRR/ARR are operating metrics and not GAAP measures; they provide directional insight into recurring revenue scale and are not intended to predict actual future revenue.

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<sup>20</sup> Logo churn is based on customer count changes during the period; dollar-based retention (NRR/GRR) is not presented at current scale.

<sup>21</sup> CAC includes attributable marketing, prospecting tools, and sales enablement costs; excludes founder time.

<sup>22</sup> LTV is modeled from gross margin contribution and retention assumptions; inherently forward-looking and sensitive to cohort behavior.

# Notes to the Financial Statements

1. **Basis of Presentation.** These interim financial statements are prepared in accordance with U.S. GAAP on an accrual basis and are **unaudited**. Interim results are not necessarily indicative of full-year performance.
2. **Use of Estimates.** The preparation of financial statements requires management to make estimates and assumptions that affect reported amounts (e.g., variable consideration constraints, collectibility, useful lives). Actual results may differ from those estimates.
3. **Revenue Recognition (ASC 606).** Contracts generally consist of recurring subscription services and implementation or maintenance services. The Company identifies distinct performance obligations and recognizes revenue upon the transfer of control to customers—ratably over the service term for time-based services and at a point in time for milestone deliverables. Contract assets/liabilities are recorded where timing of billing differs from recognition. No material contract modifications or variable consideration were recognized this quarter.
4. **Seasonality.** Customer industries typically exhibit reduced winter activity and stronger spring/summer activity; quarter-to-quarter comparisons should consider the seasonal profile.
5. **Concentration Risk.** No single customer represented more than 10% of recognized revenue this quarter. The Company relies on cloud-based infrastructure and third-party software components; changes in pricing, service availability, or terms could impact margins and churn.
6. **Credit Risk.** Cash is maintained with established financial institutions. Accounts receivable credit losses have historically been immaterial; there were **no** receivables outstanding at period end.
7. **Income Taxes.** Stratford Meridian is a single-member LLC; results are reported on the owner's Schedule C for U.S. federal tax purposes. Accordingly, no entity-level income tax provision is recorded in these interim statements.
8. **Subsequent Events.** Management evaluated subsequent events through the report issuance date and identified no events requiring adjustment or disclosure.
9. **Rounding.** Amounts are presented in U.S. dollars; totals may not foot due to rounding.

## Management Commentary

The quarter benefited from seasonal normalization in end-market activity and focused execution on subscription growth. New customer adds accelerated, pushing MRR to \$1,400.00, while delivery costs remained controlled, supporting gross margins above 80%. Management continues to prioritize profitable growth, emphasizing onboarding quality and retention workflows to support scale without sacrificing unit economics.

## Outlook and Guidance

Management expects continued sequential improvement in Q4 as the sales pipeline converts and as broader market activity remains favorable for home-improvement services. Near-term priorities include: (i) increasing attach rates from entry-level website packages to bundled subscription offerings, (ii) strengthening onboarding and lifecycle automation to enhance retention, and (iii) maintaining disciplined spend to preserve margin quality.

Forward-looking expectations are inherently uncertain and subject to the risks described herein.



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Aranyo Dutta, Managing Partner

**Investor Relations Contact Information:**

ir@stratfordmeridian.com

[www.stratfordmeridian.com/investorrelations](http://www.stratfordmeridian.com/investorrelations)

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Accounting Basis: Accrual (GAAP)

# Legal and Reporting Disclaimer

*These financial statements (the “Report”) have been prepared by Stratford Meridian, LLC (“Stratford Meridian” or the “Company”) in accordance with U.S. Generally Accepted Accounting Principles (“GAAP”) on an accrual basis for interim periods and are unaudited. This Report is provided solely for informational purposes to existing or prospective stakeholders and is not intended to constitute, and should not be construed as, (i) an offer to sell or a solicitation of an offer to buy any security, (ii) investment, accounting, tax, or legal advice, or (iii) a filing or report with any governmental or regulatory authority (including, without limitation, the U.S. Securities and Exchange Commission). The Company is a single-member limited liability company organized under the laws of the State of New Jersey and taxed as a disregarded entity (Schedule C) for U.S. federal income tax purposes.*

*The information contained herein includes forward-looking statements that reflect management’s current expectations regarding future events, performance, or financial results. These statements are subject to a number of known and unknown risks, uncertainties, and assumptions, including but not limited to seasonality in end-markets, changes in customer demand, competitive dynamics, macroeconomic conditions, supplier and infrastructure dependencies, pricing changes, regulatory developments, and the Company’s ability to execute its operating plans. Actual results may differ materially from those expressed or implied by forward-looking statements. The Company undertakes no obligation to update any forward-looking statements after the date of this Report.*

*Certain operating metrics presented (including, without limitation, MRR, ARR, CAC, LTV, churn, and related ratios) are not measures determined in accordance with GAAP and may not be comparable to similarly titled measures used by other companies. These metrics are provided to facilitate period-over-period analysis of the Company’s operating profile, but they have inherent limitations and should not be considered in isolation or as a substitute for GAAP measures. The Company may update methodologies as scale increases or data quality improves; historical metrics may be revised for hygiene or reclassification.*

*Financial information is presented in U.S. dollars and may include rounding adjustments; as a result, totals may not foot. The Company has not engaged an independent registered public accounting firm to audit or review these interim financial statements. Users of this Report should consult their own professional advisors for advice tailored to their circumstances.*