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STRATFORD MERIDIAN LLC

Annual Report 2024


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Letter from the Managing Partner

To our stakeholders,

FY2023–2024 marked our first full reporting year and our shift from a project-oriented model to a subscription-led platform serving local service businesses. We started with a small base and ended the year with a larger recurring portfolio, strong gross margins, and positive free cash flow throughout the period.

Our customer verticals show seasonal demand: winter is softer; spring and summer recover. That cadence is visible in our quarterly progression as revenue and profitability strengthened through the second half. We closed the year with MRR of $1,850.00 (ARR $22,200.00), gross margin of 82.8%, and operating margin of 69.1%, while preserving delivery simplicity and cost discipline.

The plan for FY2024–2025 is straightforward: (i) expand recurring relationships in our core verticals; (ii) keep onboarding quality high to support retention and lifetime value; and (iii) continue product development that compounds customer outcomes and our own operating leverage. To that end, we are developing MARQ, Stratford Meridian's forecasting and modeling software, with an anticipated introduction around Q3 FY2024–2025[1].

We will keep reporting with the same rigor, clear definitions, reconciliations, and conservative assumptions, so you can judge our progress on the merits.

Thank you for your continued support.

Aranyo Dutta
Managing Partner

PART 2

Business & Strategy Overview

What we deliver

A **conversion-focused web + automation platform** purpose-built for home-improvement service businesses. We combine modern websites, integrated CRM/automation, and ongoing optimization to increase lead capture and close rates.

Monetization

Primarily **recurring subscriptions** (core driver of scale) plus entry-level website packages. The mix shift toward subscriptions supported high margins and predictable cash generation in FY2023–2024.

Go-to-market

Direct, ROI-led consultative motion with targeted demos; we emphasize onboarding quality and early proof points to anchor retention.

Seasonality

Demand is lower in winter and stronger in spring/summer; we plan pipeline, delivery, and cash around that pattern.

Product roadmap

Beyond incremental platform improvements, we are building **MARQ** (forecasting & modeling) for planned release around **Q3 FY2024–2025**[1].

PART 3

Management’s Discussion & Analysis (MD&A)

<table>
<tr><td colspan="4">Full Year Performance (FY2023–2024)</td></tr>
<tr><td colspan="2" rowspan="2">Total Revenue</td><td colspan="2">COGS</td></tr>
<tr><td colspan="2">$2,255.00</td></tr>
<tr><td colspan="2" rowspan="2">$12,900.00</td><td><u>Gross Profit</u></td><td>$10,675.00</td></tr>
<tr><td><u>Gross Margin</u></td><td>82.2%</td></tr>
<tr><td colspan="2" rowspan="2">Free Cash Flow (FCF)</td><td colspan="2">OPEX</td></tr>
<tr><td colspan="2">$1,760.00</td></tr>
<tr><td><u>CFO</u></td><td><u>CAPEX</u></td><td><u>OPEX Income</u></td><td>$8,915.00</td></tr>
<tr><td>$8,915.00</td><td>$0.00</td><td><u>OPEX Margin</u></td><td>69.1%</td></tr>
<tr><td colspan="4">Cash End-of-year: $8,665.00 (no debt)</td></tr>
</table>

Revenue mix. Subscriptions dominated: WAD (entry package) **$900.00**; SaaS subscriptions **$12,000.00**; Custom/maintenance **$0.00**.

Seasonality. Sequential growth each quarter: **$1,200.00** → **$1,950.00** → **$4,200.00** → **$5,550.00**.

Customers. End-of-year **7** (New **8**, Lost **2**). **Normalized logo churn**[3] was **0.0% / 0.0% / 33.3% / 16.7%** by quarter, reflecting small-base volatility in Q3 and stabilization in Q4.

Operating discipline. Delivery costs remained predictable (software and hosting largely variable with scale), and overhead stayed lean, supporting margins above 80% through the ramp.

PART 4

Financial Statements (GAAP, Accrual — Unaudited)

4.1 Income Statement — Fiscal Year Ended August 30, 2024

Line Item	Amount (USD)
Revenue[1]	
WAD (Website-in-a-Day)[2]	$300.00
Custom Websites (Setup)	$0.00
Custom Website Maintenance	$0.00
eSAM CRM (SaaS)[3]	$3,900.00
Deferred Revenue Recognized[4]	$0.00
Total Revenue	**$4,200.00**
Cost of Goods Sold (COGS)[5]	
Contractors	$50.00
Software Tools (Direct)	$630.00
Hosting & Domains	$55.00
Refunds	$0.00
Total COGS	**$735.00**

[1] 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
[2] WAD comprises lower-ticket website subscriptions typically recognized ratably over the service term.
[3] eSAM CRM (SaaS)" represents contracted subscription services recognized ratably over the contract term; customer counts are based on active, paying accounts at period end.
[4] Deferred revenue reflects billings in advance of performance obligations; no recognition this period.
[5]COGS includes delivery-specific software, hosting, and contractors directly attributable to revenue; personnel not directly involved in delivery are classified within OPEX.

Gross Profit[6]	**$3,465.00**
Operating Expenses (OPEX)	
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
Total OPEX	**$560.00**
Operating Income	**$2,905.00**
Interest (Income)/Expense	$0.00
Income Taxes (pro forma)	$0.00
Net Income (GAAP)[7]	**$2,905.00**

[6] Gross Margin = Gross Profit ÷ Total Revenue = **82.5%**.
[7] 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)
Assets	
Current Assets	
Cash and Cash Equivalents[8]	**$4,790.00**
Accounts Receivable[9]	**$0.00**
Prepaid Expenses	**$0.00**
Total Current Assets	**$4,790.00**
Long-Term Assets	
Property & Equipment (net)[10]	**$0.00**
Total Assets	**$4,790.00**
Liabilities & Owner's Equity	
Current Liabilities	
Accounts Payable[11]	**$50.00**
Deferred Revenue	**$0.00**
Total Liabilities	**$50.00**
Owner's Equity[12]	
Owner's Equity (balancing figure)	**$4,740.00**

[8] 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.
[9] No receivables were outstanding at period end; hisMARQcal credit losses have been immaterial.
[10] No long-lived assets were capitalized during the period; management evaluated indicators of impairment and noted none.
[11] Accounts payable comprises vendor invoices incurred but unpaid as of period end; customary payment terms are 15–30 days.
[12] Equity reflects cumulative owner contributions/draws and retained earnings (undistributed profits). An owner draw of **$100.00** occurred this quarter (see cash flows).

Total Liabilities & Equity	**$4,790.00**

Statement of Cash Flows — Table 1.3

Cash Flow Activity	Amount (USD)
Cash Flows from Operating Activities	
Customer receipts	$4,200.00
Vendor payments	$(1,295.00)
Net cash from operating activities	**$2,905.00**
Cash Flows from Investing Activities	
Purchases of equipment	$0.00
Net cash from investing activities	**$0.00**
Cash Flows from Financing Activities	
Owner contributions/(distributions)[13]	$(100.00)
Net cash from financing activities	**$(100.00)**
Net increase in cash	**$2,805.00**
Ending cash balance[14]	**$4,790.00**

[13] Represents net owner draw. The Company has no third-party debt outstanding this quarter.
[14] 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

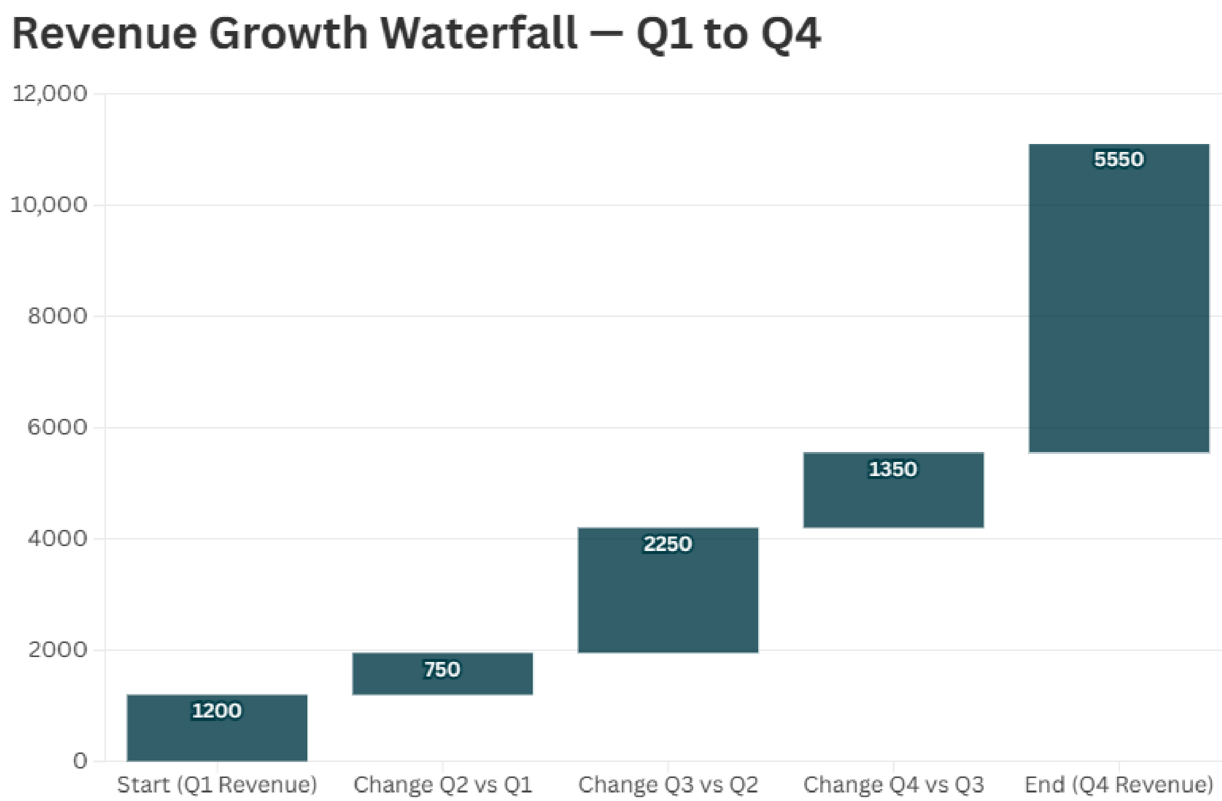
KPI	Value
Recurring Revenue	
MRR[15] (end of period)	$1,400.00
ARR (run-rate)[16]	$16,800.00
Customer Metrics	
Active Customers	6
New Customers (Quarter)	4
Churned Customers	1
Logo Churn[17]	50.0%
Unit Economics	
CAC (per new customer)[18]	$75.00
LTV (per customer)[19]	$2,400.00
LTV/CAC	32.0×

[15] 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.
[16] 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.
[17] Logo churn is based on customer count changes during the period; dollar-based retention (NRR/GRR) is not presented at current scale.
[18] CAC includes attributable marketing, prospecting tools, and sales enablement costs; excludes founder time.
[19] 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 hisMARQcally 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.

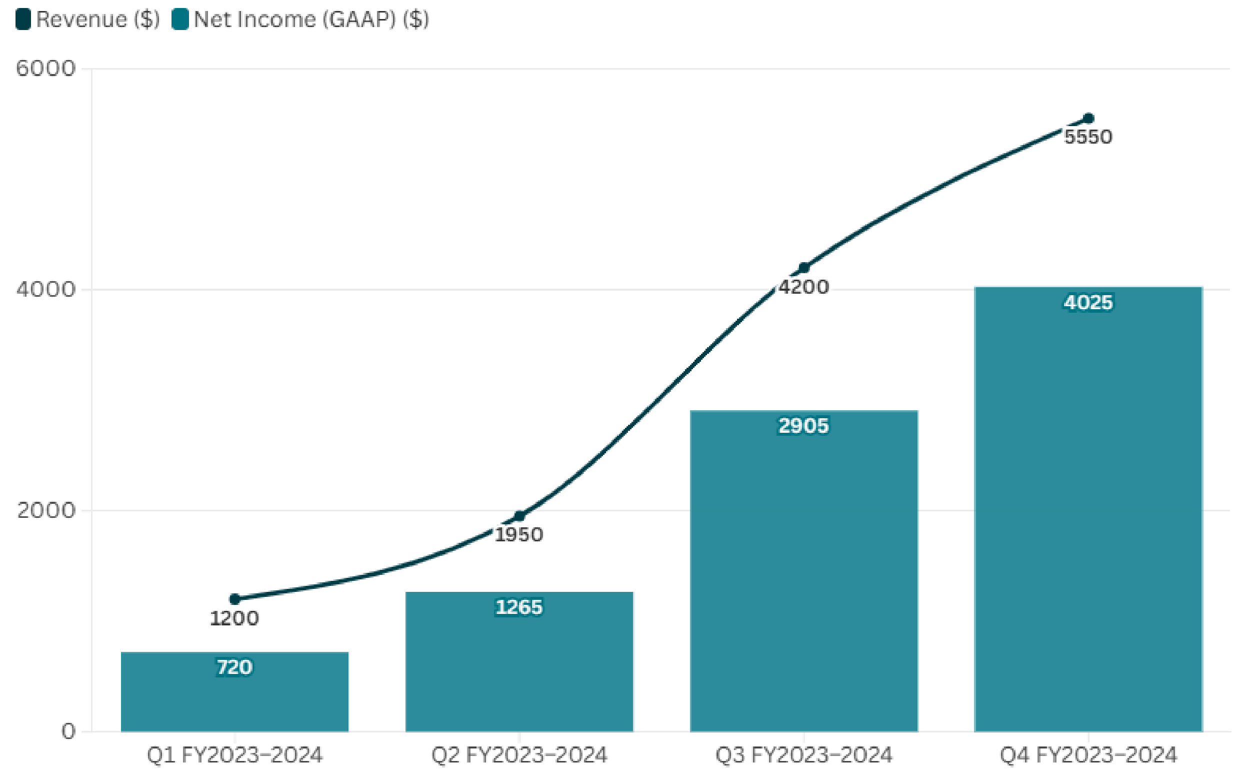
Operating Metrics & Analytical Schedules



From a Q1 base of $1,200.00, sequential revenue deltas were +$750.00 (Q2), +$2,250.00 (Q3), and +$1,350.00 (Q4), yielding a cumulative increase of $4,350.00 and a 3.6× expansion versus the opening quarter. The Q3 inflection corresponds with seasonal normalization and conversion of the H1 pipeline; the subsequent Q4 step-up reflects continued execution rather than one-time effects.[20]

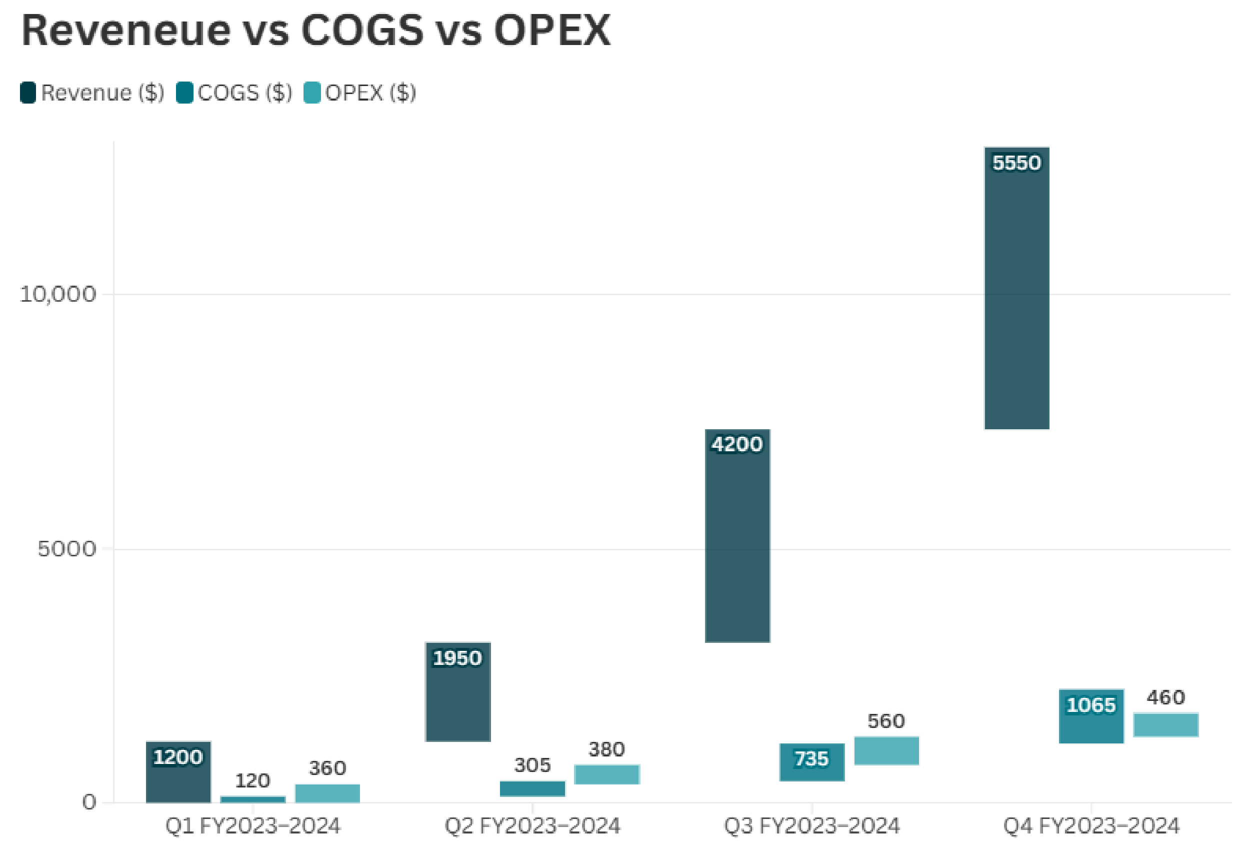
[20] The waterfall decomposes GAAP recognized revenue only and does not attempt a driver analysis (price/volume/mix) or allocation by cohort/product. Periods are unaudited; methodologies, classifications, and rounding conventions may change. The exhibit is historical and non-guidance in nature, does not reflect sensitivity analyses, and should not be construed as investment advice, a fairness opinion, or a solicitation. The Company disclaims any obligation to update this analysis.

QoQ Bridge — Revenue & Net Income



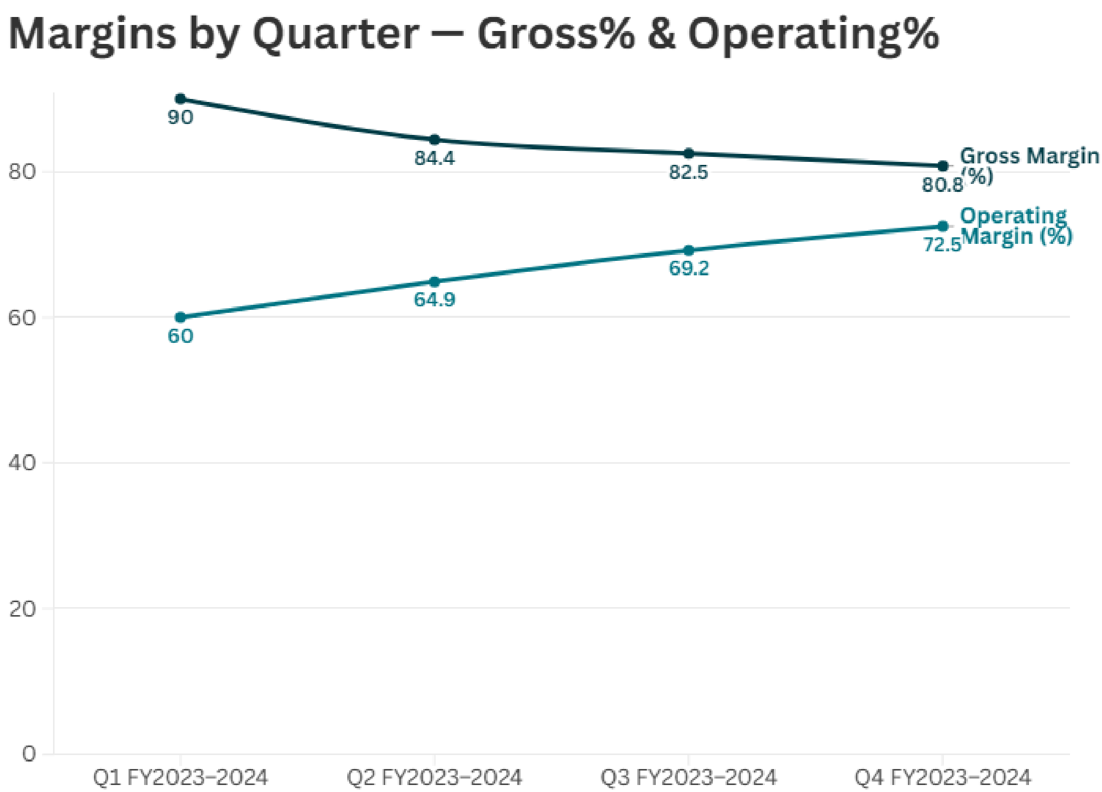
Revenue increased 3.6× from Q1 to Q4, while GAAP net income advanced 5.6×, driven by sub-linear cost growth and fixed-cost absorption. OPEX declined $100.00 sequentially in Q4, and COGS scaled below revenue (Q4: $1,065.00 vs $5,550.00 revenue). The divergence between the series evidences operating leverage and underpins margin durability entering the next fiscal year.[21]

[21] Net income equals operating income for the periods shown (no interest expense, no entity-level tax provision). Presentation is sequential; it excludes pro-forma adjustments, seasonality normalization, or cohort analytics. This exhibit may be read in conjunction with non-GAAP operating metrics presented elsewhere; no reconciliation is provided here. Results are unaudited and subject to change. The analysis is not intended as investment, accounting, tax, or legal advice or as an offer or solicitation. No duty to update is assumed.



Across Q1–Q4, revenue increased $4,350.00 while COGS rose $945.00 and OPEX $100.00. The Q3→Q4 decline in OPEX alongside higher revenue highlights expense discipline at scale. The widening revenue-to-cost differential supports sustained operating profitability absent one-time items.[22]

[22] COGS and OPEX are presented under the Company's current policy definitions and may not be comparable with other issuers. Quarter-end cut-offs may reflect accrual estimates and vendor billing cycles. Figures are unaudited, accrual-basis, and subject to rounding; reclassifications may occur in subsequent periods. This schedule is historical, non-predictive, and not a solicitation or advice of any kind.



Gross margin contracted 920 bps from 90.0% (Q1) to 80.8% (Q4) as delivery inputs scaled with mix and volume. Operating margin expanded 1,250 bps from 60.0% to 72.5% on overhead leverage and lower Q4 OPEX, producing a margin profile consistent with a subscription-led revenue mix and disciplined cost structure.[23]

[23] Margin computations are derived from unaudited GAAP statements and may incorporate estimates subject to change. Gross margin is sensitive to mix, vendor pricing, and utilization; operating margin is sensitive to timing and classification effects. Percentages are rounded; small denominators can amplify moves. This analysis is historical and non-predictive and should not be relied upon for investment, accounting, tax, or legal decisions.

Risk Factors — FY2023–2024

The following risks, uncertainties, and factors could materially affect Stratford Meridian, LLC's business, financial condition, operating results, liquidity, and prospects. They should be read together with the Financial Statements and MD&A. The list is not exhaustive, and new risks may emerge at any time. Forward-looking statements are inherently uncertain; actual outcomes may differ materially.

1. **Seasonality and Demand Variability.**
   Our end markets are seasonal, with winter softness and spring/summer normalization. Revenue, bookings, and unit metrics may exhibit quarter-to-quarter volatility, which could obscure underlying trends and complicate planning and cash management.

2. **Early-Stage Scale; Small-Number Sensitivity.**
   With a modest customer base, the addition or loss of a single account can meaningfully impact growth, churn, and lifetime value metrics. Periods of elevated percentage volatility may persist until the portfolio broadens.

3. **Customer Acquisition, Retention, and Churn.**
   Sustained performance depends on acquiring customers at attractive cost and retaining them at expected lifetimes. Shifts in onboarding throughput, implementation quality, customer budgets, or perceived ROI could raise churn and reduce LTV/CAC.

4. **Concentration Risk.**
   Revenue concentration by customer, industry niche, or geography could magnify the impact of adverse events affecting any single cohort or region (e.g., local economic slowdowns, weather events, or regulatory changes).

5. **Pricing, Packaging, and Mix.**
   The business relies on subscription pricing and entry-level packages. Competitive pressure or customer price sensitivity could necessitate discounts or mix shifts that compress gross margin and operating income.

6. **Third-Party Infrastructure and Vendor Dependence.**
   We depend on cloud hosting, communications gateways, analytics, and software components integrated into our platform. Changes in availability, performance, terms, or pricing—or API deprecations—could impair product capability, increase COGS, or disrupt service.

7. **Cybersecurity, Data Privacy, and Compliance.**
   Security incidents, unauthorized access, or data loss could result in service interruptions, reputational harm, remediation costs, or legal exposure. We process and

transmit customer and end-user data and must comply with applicable data protection, privacy, and marketing-communications laws; evolving requirements may increase compliance costs and operational complexity.

8. **Service Quality and Deliverability.**
   Platform reliability, message deliverability, and site performance affect customer outcomes. Outages, latency, or degraded deliverability—whether due to our stack or third-party providers—could increase churn and refunds and require service credits or concessions.

9. **Sales Cycle and Implementation Risk.**
   Conversion depends on discovery, demos, and implementations. Slippage in close rates, extended sales cycles, or slower time-to-value (e.g., customer content delays) can defer revenue and reduce perceived ROI.

10. **Talent and Key-Person Dependence.**
    As a founder-led company, we are dependent on limited personnel for sales, product, and delivery. Loss or unavailability of key individuals, or constraints in recruiting specialized talent, could impair execution.

11. **Competition and Substitution.**
    We face direct and indirect competition from agencies, software platforms, and in-house solutions. Competitors may replicate features, undercut pricing, bundle adjacent services, or outspend us on marketing.

12. **Macroeconomic and Market Conditions.**
    Local service businesses—the customers we target—are sensitive to consumer confidence, interest rates, financing availability, labor availability, and input costs. Deterioration in macro conditions can depress lead flow and marketing spend.

13. **Supplier and Cost Inflation.**
    Increases in software licensing, cloud infrastructure, messaging, or domain/hosting costs may raise COGS. If we cannot pass through cost increases, margins may compress.

14. **Legal, Regulatory, and Contractual Exposure.**
    We may be subject to claims related to intellectual-property rights, consumer protection, advertising content, accessibility, and marketing-communications practices. Contractual obligations (e.g., SLAs) may require credits or refunds upon non-performance.

15. **Financial Reporting; Estimates and Judgments.**
    Our financial statements are unaudited and rely on management estimates (e.g.,

revenue recognition judgments, classification of COGS vs. OPEX). Methodologies and classifications may be refined; reclassifications could affect period-to-period comparability.

16. **Use of Non-GAAP and Operating Metrics.**
 MRR, ARR, CAC, LTV, churn, and related ratios are **not** GAAP measures and may be calculated differently by other companies. These metrics depend on assumptions that may change as scale and data quality evolve.

17. **Liquidity and Capital Resources.**
 While the Company generated positive operating cash flow during the fiscal year and has no debt, future initiatives (e.g., product development, marketing expansion) could require incremental capital. Access to capital, if needed, may not be available on acceptable terms.

18. **Product Development and Roadmap Execution.**
 Delivery of new features and products—including the planned TORI forecasting and modeling offering—may be delayed, modified, or canceled due to technical, resourcing, or market factors. Any delays could affect growth, competitiveness, and expected returns.

19. **Force Majeure and Business Continuity.**
 Events outside our control (e.g., natural disasters, widespread outages, public-health emergencies, or significant supplier failures) could disrupt operations and customer outcomes despite contingency planning.

20. **Rounding and Presentation.**
 Dollar and percentage figures are presented in U.S. dollars and may include rounding; totals may not foot. Small denominators can amplify percentage moves and should be interpreted with caution.

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.

Aranyo Dutta, Managing Partner

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Jurisdiction: New Jersey, USA
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; hisMARQcal 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.