

INVESTOR DOCUMENT

# Financial Summary

Raise \$500,000 SAFE    Valuation Cap \$10,000,000    CF Positive Month 7    Version 2.0 · March 2026

<p>YEAR 1 ENDING ARR</p> <p><b>\$1.02M</b></p> <p>\$5.56M Y2 · \$9.77M Y3</p>	<p>LTV:CAC · YEAR 1</p> <p><b>9x</b></p> <p>Benchmark: 3-5x strong</p>	<p>YEAR 1 OPERATING SURPLUS</p> <p><b>\$82K</b></p> <p>Max deficit: \$77.5K (Month 6)</p>
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MODEL

## The Business Model

Tulboxx is a freemium SaaS platform. New users get 5 full AI estimate generations — no credit card required. After the 5th generation, the product prompts them to subscribe. Conversion is volume-gated, not time-gated, which produces 25% higher conversion rates than trial-based models.

Every paying customer is on a recurring monthly subscription. Tiered pricing launches in V2 (approximately Month 13). **Current gross margin: 85%+.** Variable costs are AI API calls and hosting. Throttled Up Marketing contributes all SEO, content, web, and design at zero cost to Tulboxx.

PRICING

## Pricing Structure

PHASE	PRICE/MONTH	WHO	STATUS
Beta	\$39	50 hand-selected testers	Locked for life of subscription
Loyalty Launch	\$49	Owned audience (email, Facebook, podcast)	Locked for life of subscription
<b>V1 Market</b>	<b>\$59</b>	<b>All new customers at launch</b>	<b>Active</b>
V2 — Solo Pro	\$59	Single seat, owner-operator	Month 13
V2 — Team Starter	\$129	Field team + admin	Month 13
V2 — Crew Builder	\$199	Growing company	Month 13

V2 blended market ARPU: \$83.50 (70/25/5 launch mix across tiers). Founding cohort blended rate: \$48.09/month — locked permanently. Never use "lifetime pricing" — always: "Founding Member Rate, locked as long as you maintain an active subscription."

REVENUE

## ARPU Progression

ARPU is built bottom-up from the actual pricing tier mix. The founding cohort (\$39/\$49 locked) dilutes blended ARPU in Year 1. As market customers dominate the base and tiered pricing launches in Year 2, ARPU steps up materially.

QUARTER	ARPU	YEAR	WTD AVG ARPU	ENDING ARR
Q1 Year 1	\$49.63	Year 1 (2026)	\$53	\$1.02M
Q2 Year 1	\$52.41	Year 2 (2027)	\$75	\$5.56M
Q3 Year 1	\$53.92	Year 3 (2028)	\$80	\$9.77M
Q4 Year 1	\$54.86			
Q5 Year 2	\$66.25			
Q6 Year 2	\$73.92			
Q7 Year 2	\$76.79			
Q8 Year 2	\$78.11			
Q9–Q12 Year 3	\$79–81			

Ending ARR (trailing MRR × 12) is the investor-facing metric — a forward-looking run rate. Year 1 actual cash collected is ~\$610K; Year 1 Ending ARR is ~\$1.02M because MRR ramps throughout the year.

ACQUISITION

## Customer Growth

### Year 1 — Owned Audience, Zero Cold Start

All Year 1 growth draws from Ryan's owned audience of 46,000+ contractors. Blended CAC: \$75.

CHANNEL	AUDIENCE	CONVERSION	CUSTOMERS
Email list	18,000	2.5%	~450
Facebook group	28,000	1.0%	~280
Podcast	700/wk	10%	~70
Referrals	10% of base	—	~120
<b>Total Year 1</b>			<b>~920–1,000</b>

## Year 2 — Multi-Channel Expansion

CHANNEL	NET NEW	CAC
Podcast appearances	~563	\$0
SEO / landing pages	~450	\$0
Paid acquisition	~1,100	\$150–200
Referrals + content	~500	\$0
<b>Total</b>	<b>~2,813</b>	<b>~\$100</b>

## 3-Year Customer Summary

METRIC	Y1	Y2	Y3
Ending Customers	1,540	6,000	10,000
Net New	1,540	4,460	4,000
<b>Blended CAC</b>	<b>\$75</b>	<b>\$100</b>	<b>\$150</b>

## RETENTION

### Churn & Retention

PERIOD	MONTHLY CHURN	RATIONALE
Months 1–3	8%	Fit-testing; expected in any freemium product
Months 4–6	6%	Estimate library building; stickiness increasing
Months 7–12	4%	Today's List habit formed; integrated into daily workflow
Year 2 avg	4.5%	Growing base includes newer customers in early habit phase
<b>Year 3 avg</b>	<b>3.5%</b>	<b>Mature base; high switching cost from estimate library</b>

#### FORCE 1 — TODAY'S LIST

Every morning, Tulboxx surfaces who to call, what to send, and what's at risk. Within days of onboarding, early users replaced their whiteboard and legal pad entirely. A contractor whose workday runs on Today's List is not leaving.

#### FORCE 2 — ESTIMATE LIBRARY

After 20+ estimates, the contractor's entire pricing model, scope language, and proposal format lives in Tulboxx. Switching means rebuilding their business from scratch. Beta users proved it: when the system went offline, they demanded access back.

## UNIT ECONOMICS

### Unit Economics

METRIC	YEAR 1	YEAR 2	YEAR 3
ARPU (weighted avg)	\$53	\$75	\$80
Gross Margin	85%	88%	90%
Monthly Churn	6.5%	4.5%	3.5%
LTV	\$693	\$1,467	\$2,057
Blended CAC	\$75	\$100	\$150
<b>LTV:CAC</b>	<b>9x</b>	<b>15x</b>	<b>14x</b>
Payback Period	50 days	46 days	62 days

LTV = (ARPU × Gross Margin) / Monthly Churn. Strong SaaS benchmark: LTV:CAC ≥ 3x–5x. Tulboxx runs at 9x–15x. Even at full industry-standard CAC of \$300 in Year 3, LTV:CAC holds at 7x.

## SCENARIOS

### Year 1 Sensitivity Scenarios

ARPU is fixed to the bottom-up model. Sensitivity reflects customer volume only.

SCENARIO	ENDING CUSTOMERS	ENDING MRR	ENDING ARR
Optimistic (+20%)	~1,850	~\$103,150	~\$1.24M
<b>Base Case</b>	<b>~1,540</b>	<b>~\$84,900</b>	<b>~\$1.02M</b>
Conservative (-20%)	~1,230	~\$66,570	~\$800K

All three scenarios reach cash flow positive within the 12-month raise runway.

## PROFITABILITY

### Operating Profit Summary

YEAR	REVENUE (ACTUAL)	GROSS PROFIT	OPEX	OPERATING INCOME	MARGIN
Year 1 (2026)	~\$610K	~\$518K	~\$436K	<b>~\$82K</b>	~13%
Year 2 (2027)	~\$3.5M	~\$3.1M	~\$1.14M	<b>~\$1.96M</b>	~56%
<b>Year 3 (2028)</b>	<b>~\$7.8M</b>	<b>~\$7.0M</b>	<b>~\$1.86M</b>	<b>~\$5.14M</b>	<b>~66%</b>

Revenue (actual) = cash collected. Ending ARR = trailing MRR × 12. EBITDA-level, pre-tax. Founder compensation: \$0 in Year 1 (drawn from existing businesses); \$15K/month combined Year 2; \$20K/month combined Year 3.

**Cash flow positive: Month 7** (base case). Deepest loss point: Month 6 — cumulative deficit ~\$77,500. Cumulative break-even: Month 10–11. Year 1 year-end surplus: ~\$82K. The majority of the \$500K raise funds product development — not operating losses.

## CAPITAL ALLOCATION

### Use of Funds — \$500,000

CATEGORY	AMOUNT	%	ALLOCATION
Product Development	\$180,000	36%	Product Development <b>\$180K</b>
Customer Success	\$100,000	20%	Customer Success <b>\$100K</b>
Sales & Marketing	\$80,000	16%	Sales & Marketing <b>\$80K</b>
Infrastructure & Tools	\$60,000	12%	Infrastructure & Tools <b>\$60K</b>
Team & Hiring	\$50,000	10%	Team & Hiring <b>\$50K</b>
Legal & Compliance	\$20,000	4%	Legal & Compliance <b>\$20K</b>
<b>Operating Buffer</b>	<b>\$10,000</b>	<b>2%</b>	Operating Buffer <b>\$10K</b>

The \$80K marketing line covers paid ad spend and tools only. Equivalent external agency services: \$180,000–\$300,000 annually. This raise goes as far as \$700K+ would for a comparable company without Throttled Up's contribution.

## RETURNS

### Exit Context

Target: 20,000+ businesses, \$25M+ ARR within 4–6 years. Likely acquirers: Jobber, ServiceTitan, Intuit, private equity.

CONSERVATIVE

**\$80M**

8x return · \$20M ARR · 4x multiple

BASE CASE

**\$125M**

12.5x return · \$25M ARR · 5x multiple

OPTIMISTIC

**\$180M**

18x return · \$30M ARR · 6x multiple

\$500K at \$10M cap = ~5% ownership. Base case returns 12.5x — above the 10x threshold most pre-seed investors require. Pre-seed SaaS caps average \$17M in 2025; Tulboxx is raising at \$10M with a working product and paying customers.