

Quarterly Operations Review

FY26 · Third quarter · Prepared by Finance & Platform · 14 August 2026 · Internal

Third-quarter revenue closed at \$24.1M, up 12% on Q2, and gross margin reached 61.4% — the first quarter above the 60% target the board set in FY25. Net revenue retention rose to 128%, and runway extended to 27 months as infrastructure spending fell for the second consecutive quarter. This review covers the revenue mix (§1–2), how retention is measured (§3), and the platform work behind the margin gains (§4–5).

\$24.1M

REVENUE

+12%

61.4%

GROSS MARGIN

+3.1pp

128%

NET RETENTION

+4pp

27 mo

RUNWAY

+5

1. Revenue performance

Revenue has now grown for five consecutive quarters (Fig. 1). The step up in Q3 came almost entirely from existing accounts rather than new logos: 22 of the quarter's 31 upgrade events were seat or usage expansions in accounts older than a year, which is also what carried retention to 128% (§3).

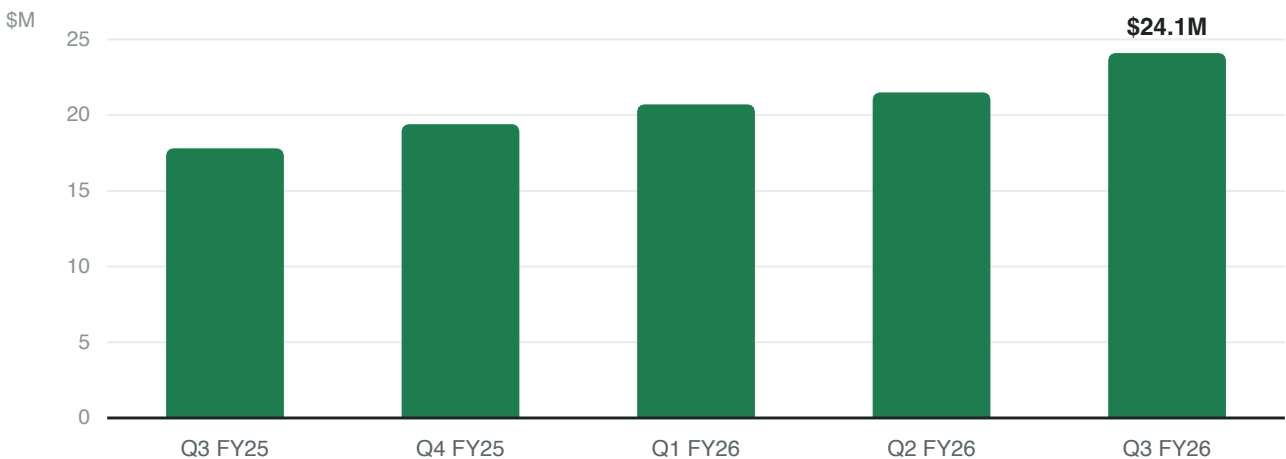


Fig. 1 — Quarterly revenue, \$M. Five consecutive quarters of growth; +35% year on year.

2. Where the growth came from

SEGMENT	Q2 FY26 (\$M)	Q3 FY26 (\$M)	CHANGE
Enterprise · 41 accounts	9.8	11.6	+18.4%
Mid-market · 208 accounts	6.4	7.2	+12.5%
Self-serve	3.9	4.1	+5.1%
Services · winding down	1.4	1.2	−14.3%
Total	21.5	24.1	+12.1%

Table 1 — Revenue by segment. Services revenue is declining by design: the two remaining bespoke engagements migrate to the platform in Q4, trading \$1.2M of low-margin revenue for field-team capacity.

3. How retention is measured

Retention is reported as net revenue retention over the trailing twelve months (Eq. 1): the ARR of the year-ago cohort re-measured today, including expansion and net of contraction and churn. New logos won during the year are excluded.

$$\text{NRR} = \frac{\text{ARR}_{\text{start}} + \text{Expansion} - \text{Contraction} - \text{Churn}}{\text{ARR}_{\text{start}}} \times 100 \quad (\text{Eq. 1})$$

Q3 cohort, \$M: $(65.3 + 22.4 - 2.1 - 2.0) / 65.3 = 128\%$

The figure is computed against the billing ledger rather than the CRM (Listing 1), so the reported number and the invoiced number cannot drift apart.

```
-- Net revenue retention, trailing twelve months (reported: 128.0)
WITH cohort AS (
  SELECT arr_on(account_id, DATE '2025-08-01') AS arr_start,
         arr_on(account_id, DATE '2026-08-01') AS arr_end
  FROM billing.accounts WHERE arr_on(account_id, DATE '2025-08-01') > 0
)
SELECT ROUND(100.0 * SUM(arr_end) / SUM(arr_start), 1) AS nrr FROM cohort;
```

Listing 1 — The reported NRR query, run against the billing ledger at close.

4. Release engineering

The margin gains in §1 came mostly from infrastructure, and the release pipeline (Fig. 2) is what made them safe to ship: every cost change in Q3 — storage tiering, the query-cache rewrite — held at a 5% canary against the error budget before reaching the fleet.

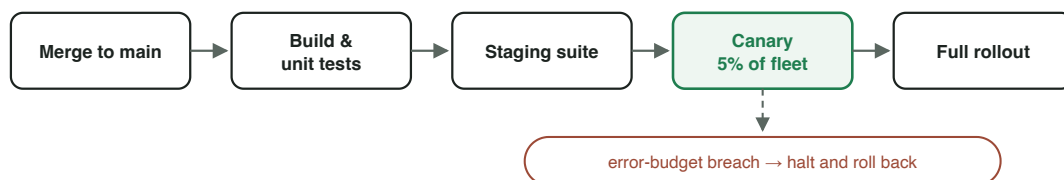


Fig. 2 — The release pipeline. The canary gate holds 5% of the fleet against the error budget before full rollout.

5. Margin instrumentation, and Q4

Margin is watched live rather than monthly: the dashboard (Fig. 3) recomputes gross margin, COGS and infrastructure cost per revenue dollar from the ledger daily.

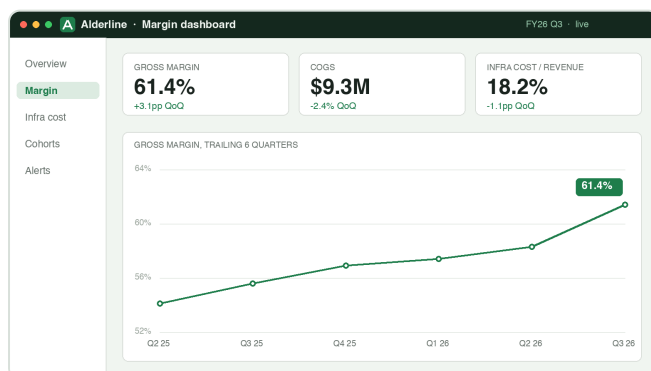


Fig. 3 — The margin dashboard on 14 August 2026.

6. Priorities for Q4

- Complete the services wind-down: migrate the last two bespoke accounts to the platform.
- Bring infrastructure cost below 17% of revenue (18.2% today) by finishing storage tiering.
- Extend the canary gate to schema migrations — the one remaining manual release path.
- Land FY27 pricing before enterprise renewals open in February.

Runway: 27 months

Burn fell to \$0.4M/month in Q3; the FY27 operating plan assumes no further raise.