

To my fellow shareholders,

Thank you for taking a moment to read my first shareholder letter to Janover public company investors. 2023 was a monumental year for us as a business and for me personally as the Founder & CEO of our company. I say our company because whether you own one share or, as is in my case, many, it's ours. As long-term partners in this enterprise, we share in its successes and challenges together. I'm grateful to have you alongside me on this journey.

For those of you that don't know, we are a small company with considerable ambitions, tackling one of the most significant industries in the world – commercial real estate. We have a track record of improving multifamily, commercial real estate and small business debt transactions by being fanatical about delighting our customers and executing on a sound, intelligent strategy. I personally navigated the Great Financial Crisis in the residential and commercial real estate finance space and have the scars and learnings that come along with that. Today, our team has built a resilient foundation to weather, and ultimately benefit, from macro-economic swings. I look ahead and clearly see billions of dollars of addressable market right ahead of us for the taking.

The past year was a whirlwind. Our colleagues at Sachem Capital (NYSE: SACH) made a strategic investment in us, we listed on the Nasdaq, our stock price jumped on IPO day and then dropped precipitously, the Fed ran interest rates higher, commercial real estate liquidity seized up, banks collapsed, my daughter learned to ride a bike, we acquired Groundbreaker to begin our transition to recurring revenue, we pushed AI to its limits inside our business, there's war in Israel and Ukraine and so the world spins.

None of our plans involve moderate growth, modest investor returns, or irresponsible spending (come by our office for freeze dried coffee served up on Amazon-purchased kitchen tables). While we are not proud of the 2023 top-line financials, we believe we are setting the stage for hitting an inflection point as we make strategic investments in technology and productive personnel. We outperformed many of our peers and incumbents in multiple categories while driving 100%+ growth for the second year in a row in our small business finance category, deploying ever improving AI into our operations, and scaling revenue per transaction on our platform by 54% in 2023. I don't consider any one year (or certainly any quarter) a measure of our success or failure. I plan for this to be something we will be able to measure in decades. Our job is to create long-term shareholder value well beyond appropriate benchmarks by delighting our customers and fostering a culture of performance, service, curiosity and excellence. Sometimes this means sacrificing short term results for long term outcomes – in the case of 2023, it meant optimizing for building the most useful, scalable AI infrastructure while allocating valuable resources to listing our company and raising capital in a difficult market. We made these choices at the expense of building an army of junior sales associates which would have been the short-termism choice. We are long-term focused.

As the great mathematician Richard Feynman once said, “You can always recognize truth by its beauty and simplicity.” In that spirit...

Our plan for 2024 is:

1. Attract more, new high-quality customers.¹

¹ Until recently, we've had one primary source of borrower-customers (“SEO”) and we've sold primarily one widget; a multifamily, commercial real estate, and recently, small business loan into that market. “New customers” generally means new borrowers via direct referral, new channels and programmatic partnerships that are “up market” from where we are now in terms of loan size and revenue per transaction.

2. Sell additional high-quality products that our customers want and need.²
3. Improve productivity per employee.

We aim to achieve these plans by engaging in the following activities:

1. Building referral partnerships and outbound³ sales capabilities.
2. Incubating, partnering or acquiring (M&A) to add or enhance valuable (primarily recurring) revenue products⁴ to our mix.
3. Scaling our AI and automation to improve per-employee productivity while obsessively focused on delighting customers and our KPIs; ensuring the right people are in the right seats.

There may very well be continued macro headwinds on the horizon. It's been a "funny" thing to stand squarely at the intersection of commercial real estate, banking, and fintech at what seems to be such an inopportune time. We think this is in fact the most opportune time in decades to stand where we are. Warren Buffet said, "be fearful when others are greedy, and greedy when others are fearful." It's a nice time to be (thoughtfully) greedy.

Our organization will continue to build out a resilient mix of high-quality product offerings to drive value to our customers and as an extension, our shareholders. We see our portfolio as a valuable assemblage of assets including Groundbreaker (our B2B SaaS for investor management), Janover Insurance Group (which just received its licensing), our AI technology platform, and our digital media assets including a dozen websites generating more than 80M impressions a year on Google and tens of billions of dollars of loan applications annually, not to mention our core multifamily, commercial real estate, and SBA finance marketplace. Ultimately, we plan to drive revenue per employee and per customer as we look forward to getting back to cashflow⁵ positive (which we achieved from 2019 to 2021).

As a fellow shareholder, I encourage you to tell our story to the world; we're small (for now) so many don't know about us. You can directly drive impact to our organization and we, in turn, will drive that impact back to you, our valued shareholder, by fanatically delighting our customers, day in, and day out.

Thank you for your trust and support.

Blake Janover
Chairman & CEO
Janover (Nasdaq:JNVR)

² We have a wonderful captive audience of high-net-worth real estate investors and business owners as well as more than two thousand bankers (lenders) across the nation. We have the opportunity to introduce useful (recurring revenue) products like commercial insurance, B2B SaaS and more; creating happier, more loyal, more profitable customers.

³ Nearly all our business to-date has been through SEO and content marketing. We aim to expand that capability to multiple channels.

⁴ Building on the successful acquisition of Groundbreaker (the B2B SaaS platform we acquired in 2023) to efficiently transition to recurring revenue. We see opportunity in commercial insurance and additional B2B SaaS products.

⁵ Cashflow from operations