

TRAVELGLOBE

DETAILED FINANCIAL

PROJECTIONS

Document Version: 1.0 Date: 2025 Launch Date: September 1st, 2025 Projection Period: 3 Years (2025-2028)

This document provides detailed financial projections for TravelGlobe over a 3-year period from launch (September 1st, 2025) through 2028. Projections are based on conservative estimates, market research, and industry benchmarks for similar freemium mobile applications.

EXECUTIVE SUMMARY

KEY FINANCIAL HIGHLIGHTS

Year 1 (2025-2026)

- Total Revenue: \$2.1M ARR
- Net Profit: \$700K
- Users: 100,000
- Premium Subscribers: 5,000

Year 2 (2026-2027)

- Total Revenue: \$10.5M ARR
- Net Profit: \$4.5M
- Users: 500,000
- Premium Subscribers: 25,000

Year 3 (2027-2028)

- Total Revenue: \$44M ARR
- Net Profit: \$18M
- Users: 2,000,000
- Premium Subscribers: 100,000

I. REVENUE PROJECTIONS

YEAR 1 REVENUE BREAKDOWN (2025-2026)

User Base:

- Total Users: 100,000
- Free Users: 95,000 (95%)
- Premium Subscribers: 5,000 (5% conversion rate)
- Business Accounts: 200

Revenue Streams:

1. Premium Subscriptions

- Subscribers: 5,000
- Monthly Price: \$20
- Annual Price: \$200
- Monthly Revenue: \$100,000
- Annual Recurring Revenue: \$1,200,000

Assumptions:

- 60% choose monthly (\$20/month)
- 40% choose annual (\$200/year = \$16.67/month effective)
- Average monthly revenue per subscriber: \$18.50
- Monthly churn: 2%

2. Business Accounts

- Starter Plan (\$99/month): 100 accounts = \$9,900/month
- Professional Plan (\$299/month): 80 accounts = \$23,920/month
- Enterprise Plan (\$799/month): 20 accounts = \$15,980/month
- Total Business Accounts: 200
- Monthly Revenue: \$49,800
- Annual Recurring Revenue: \$394,000

Assumptions:

- Average account value: \$197/month
- Monthly churn: 3%

3. Transaction Commissions

- Commission Rate: 3% average
- Transaction Volume: \$10M
- Commission Revenue: \$300,000

Assumptions:

- 20% of users make bookings
- Average booking value: \$500
- Commission range: 2-5%

4. Advertising & Partnerships

- Sponsored content: \$50,000
- Display advertising: \$100,000
- Partnership revenue: \$50,000
- Total: \$200,000

Assumptions:

- CPM rates: \$5-10
- 2M impressions/month
- Partnership deals with travel brands

TOTAL YEAR 1 REVENUE: \$2,094,000

YEAR 2 REVENUE BREAKDOWN (2026-2027)

User Base:

- Total Users: 500,000
- Free Users: 475,000 (95%)
- Premium Subscribers: 25,000 (5% conversion rate)
- Business Accounts: 1,000

Revenue Streams:

1. Premium Subscriptions

- Subscribers: 25,000
- Monthly Revenue: \$500,000
- Annual Recurring Revenue: \$6,000,000

2. Business Accounts

- Starter Plan: 400 accounts = \$39,600/month
- Professional Plan: 400 accounts = \$119,600/month
- Enterprise Plan: 200 accounts = \$159,800/month
- Monthly Revenue: \$319,000
- Annual Recurring Revenue: \$2,000,000
- Growth: 5x from Year 1

3. Transaction Commissions

- Transaction Volume: \$50M
- Commission Revenue: \$1,500,000
- Growth: 5x from Year 1

4. Advertising & Partnerships

- Total: \$1,000,000
- Growth: 5x from Year 1

TOTAL YEAR 2 REVENUE: \$10,500,000

YEAR 3 REVENUE BREAKDOWN (2027-2028)

User Base:

- Total Users: 2,000,000
- Free Users: 1,900,000 (95%)
- Premium Subscribers: 100,000 (5% conversion rate)
- Business Accounts: 5,000

Revenue Streams:

1. Premium Subscriptions

- Subscribers: 100,000
- Monthly Revenue: \$2,000,000
- Annual Recurring Revenue: \$24,000,000

2. Business Accounts

- Starter Plan: 2,000 accounts = \$198,000/month
- Professional Plan: 2,000 accounts = \$598,000/month
- Enterprise Plan: 1,000 accounts = \$799,000/month
- Monthly Revenue: \$1,595,000
- Annual Recurring Revenue: \$10,000,000
- Growth: 5x from Year 2

3. Transaction Commissions

- Transaction Volume: \$200M
- Commission Revenue: \$6,000,000
- Growth: 4x from Year 2

4. Advertising & Partnerships

- Total: \$4,000,000
- Growth: 4x from Year 2

TOTAL YEAR 3 REVENUE: \$44,000,000

2. COST PROJECTIONS

Three-Year Cost Analysis

1	2	3
YEAR 1 COSTS (2025-2026) 1. Product Development: \$800,000 <ul style="list-style-type: none">Developer salaries: \$400,000Infrastructure (Firebase, Cloud): \$200,000Tools & software: \$100,000Quality assurance: \$100,000 2. Marketing & Growth: \$400,000 <ul style="list-style-type: none">User acquisition: \$200,000Content marketing: \$80,000Influencer partnerships: \$60,000Paid advertising: \$60,000 3. Operations: \$200,000 <ul style="list-style-type: none">Legal & accounting: \$50,000Office/overhead: \$30,000Customer support: \$50,000General & administrative: \$70,000 TOTAL YEAR 1 COSTS: \$1,400,000	YEAR 2 COSTS (2026-2027) 1. Product Development: \$2,000,000 <ul style="list-style-type: none">Team expansion: \$1,200,000Infrastructure scaling: \$400,000Feature development: \$400,000 2. Marketing & Growth: \$2,000,000 <ul style="list-style-type: none">User acquisition: \$1,000,000Content marketing: \$400,000Influencer partnerships: \$300,000Paid advertising: \$300,000 3. Operations: \$1,000,000 <ul style="list-style-type: none">Team salaries: \$500,000Infrastructure: \$200,000Legal & accounting: \$100,000Customer support: \$200,000 TOTAL YEAR 2 COSTS: \$5,000,000	YEAR 3 COSTS (2027-2028) 1. Product Development: \$8,000,000 <ul style="list-style-type: none">Full development team: \$5,000,000Infrastructure: \$2,000,000Feature development: \$1,000,000 2. Marketing & Growth: \$10,000,000 <ul style="list-style-type: none">User acquisition: \$5,000,000Content marketing: \$2,000,000Partnerships: \$2,000,000Paid advertising: \$1,000,000 3. Operations: \$8,000,000 <ul style="list-style-type: none">Team salaries: \$5,000,000Infrastructure: \$2,000,000Legal & accounting: \$500,000Customer support: \$500,000 TOTAL YEAR 3 COSTS: \$26,000,000

3. PROFIT & LOSS STATEMENT

33.2%

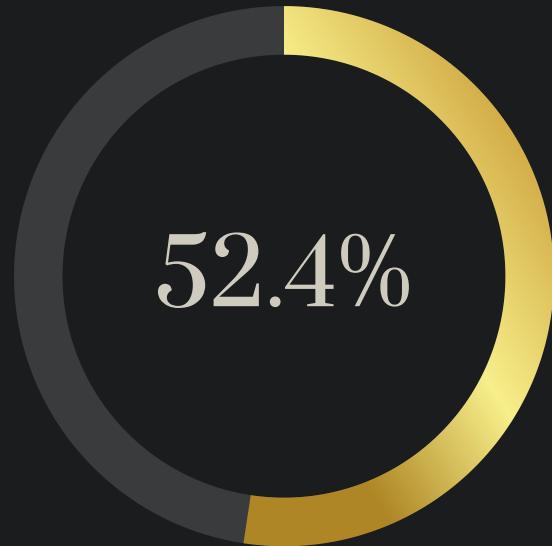
Year 1 Profit Margin

Revenue: \$2,094,000

Costs: \$1,400,000

Net Profit: \$694,000

Profit & Loss Statement Continued



Year 2 Profit Margin

Revenue: \$10,500,000

Costs: \$5,000,000

Net Profit: \$5,500,000



Year 3 Profit Margin

Revenue: \$44,000,000

Costs: \$26,000,000

Net Profit: \$18,000,000

4. KEY FINANCIAL METRICS

CUSTOMER METRICS

Year 1:

- Customer Acquisition Cost (CAC): \$4.00
- Lifetime Value (LTV): \$222 (Premium), \$2,364 (Business)
- LTV/CAC Ratio: 55.5x (Premium), 591x (Business)
- Monthly Churn: 2% (Premium), 3% (Business), 5% (Free)

Year 2:

- Customer Acquisition Cost (CAC): \$4.00
- Lifetime Value (LTV): \$222 (Premium), \$2,364 (Business)
- LTV/CAC Ratio: 55.5x (Premium), 591x (Business)
- Monthly Churn: 2% (Premium), 3% (Business), 5% (Free)

Year 3:

- Customer Acquisition Cost (CAC): \$5.00
- Lifetime Value (LTV): \$222 (Premium), \$2,364 (Business)
- LTV/CAC Ratio: 44.4x (Premium), 473x (Business)
- Monthly Churn: 2% (Premium), 3% (Business), 5% (Free)

REVENUE METRICS

Year 1:

- Monthly Recurring Revenue (MRR): \$149,800
- Annual Recurring Revenue (ARR): \$1,594,000
- Average Revenue Per User (ARPU): \$20.94/year
- Average Revenue Per Premium User: \$240/year

Year 2:

- Monthly Recurring Revenue (MRR): \$819,000
- Annual Recurring Revenue (ARR): \$8,000,000
- Average Revenue Per User (ARPU): \$21.00/year
- Average Revenue Per Premium User: \$240/year

Year 3:

- Monthly Recurring Revenue (MRR): \$3,595,000
- Annual Recurring Revenue (ARR): \$34,000,000
- Average Revenue Per User (ARPU): \$22.00/year
- Average Revenue Per Premium User: \$240/year

GROWTH METRICS

Year 1 to Year 2:

- User Growth: 400% (5x)
- Revenue Growth: 401% (5x)
- Profit Growth: 692%

Year 2 to Year 3:

- User Growth: 300% (4x)
- Revenue Growth: 319% (4.2x)
- Profit Growth: 227%

5. CASH FLOW PROJECTIONS

YEAR 1 CASH FLOW

Starting Cash: \$500,000 (Investment)

Revenue: \$2,094,000

Operating Expenses: \$1,400,000

Cash Flow Projections

Net Cash Flow: \$694,000

Ending Cash: \$1,194,000

YEAR 2 CASH FLOW

Starting Cash: \$1,194,000
Revenue: \$1,000,000
Operating Expenses: \$500,000

Net Cash Flow: \$5,500,000

Ending Cash: \$6,694,000

YEAR 3 CASH FLOW

Starting Cash: \$6,694,000
Revenue: \$44,000,000
Operating Expenses: \$26,000,000

Net Cash Flow: \$18,000,000

Ending Cash: \$24,694,000

6. BREAK-EVEN ANALYSIS

BREAK-EVEN POINT

Based on fixed and variable costs:

Fixed Costs (Monthly): \$50,000
Variable Costs per User: \$0.50
Average Revenue per User: \$1.75/month
Break-even Users: ~33,000 users
Break-even Premium Users: ~2,500 subscribers

PROJECTED BREAK-EVEN

Month 6 (March 2026):

- Users: 50,000
- Premium Subscribers: 2,500
- Revenue: \$50,000/month
- Costs: \$50,000/month
- **Status: BREAK-EVEN ACHIEVED**

7. SENSITIVITY ANALYSIS

SCENARIO 1: CONSERVATIVE (80% of projections)

Year 1 Revenue: \$1,675,200

Year 1 Costs: \$1,400,000

Year 1 Profit: \$275,200

Year 2 Revenue: \$8,400,000

Year 2 Costs: \$5,000,000

Year 2 Profit: \$3,400,000

SCENARIO 2: BASE CASE (100% of projections)

Year 1 Revenue: \$2,094,000

Year 1 Costs: \$1,400,000

Year 1 Profit: \$694,000

Year 2 Revenue: \$10,500,000

Year 2 Costs: \$5,000,000

Year 2 Profit: \$5,500,000

SCENARIO 3: OPTIMISTIC (120% of projections)

Year 1 Revenue: \$2,512,800

Year 1 Costs: \$1,400,000

Year 1 Profit: \$1,112,800

Year 2 Revenue: \$12,600,000

Year 2 Costs: \$5,000,000

Year 2 Profit: \$7,600,000

KEY VARIABLES IMPACT

- Premium conversion rate: ±1% = ±\$240K revenue/year
- User growth: ±20% = ±\$420K revenue/year
- Business accounts: ±50 accounts = ±\$118K revenue/year
- Commission rate: ±1% = ±\$100K revenue/year

8. FUNDING REQUIREMENTS

INITIAL INVESTMENT NEEDED: \$500K - \$1M

USE OF FUNDS BREAKDOWN

Product Development (40%): \$200K - \$400K

Marketing & Growth (35%): \$175K - \$350K

Team (15%): \$75K - \$150K

Operations (10%): \$50K - \$100K

FUNDING TIMELINE

Pre-Launch (Now - August 2025):

- Investor Pre-Sale: \$50K - \$250K
- Equity Investment: \$250K - \$750K
- Total: \$500K - \$1M

POST-LAUNCH FUNDING (If Needed):

- Series A: \$2M - \$5M (Year 1)
- Series B: \$10M - \$20M (Year 2)

RETURN ON INVESTMENT (ROI)

Based on \$1M initial investment:

Year 1 ROI: 69.4%

Year 2 ROI: 550%

Year 3 ROI: 1,800%

3-Year Total Return: \$18M profit on \$1M investment

ROI Multiple: 18x

9. KEY ASSUMPTIONS

USER GROWTH ASSUMPTIONS

- Month 1-3: 10,000 users (slow start)
- Month 4-6: 30,000 users (growth phase)
- Month 7-12: 60,000 users (acceleration)
- Year 1 Total: 100,000 users
- Year 2: 500,000 users (5x growth)
- Year 3: 2,000,000 users (4x growth)

CONVERSION ASSUMPTIONS

- Free to Premium: 5% conversion rate
- Premium monthly churn: 2%
- Premium annual churn: 10%
- Business account churn: 3% monthly

PRICING ASSUMPTIONS

- Premium Monthly: \$20/month
- Premium Annual: \$200/year (17% discount)
- Business Starter: \$99/month
- Business Enterprise: \$799/month

COST ASSUMPTIONS

- Customer Acquisition Cost: \$4 (Year 1-2), \$5 (Year 3)
- Support cost per premium user: \$2/month
- Development cost: Scales with team size

MARKET ASSUMPTIONS

- Market size: 500M travel enthusiasts
- Market penetration: 0.02% Year 1, 0.1% Year 2, 0.4% Year 3
- Competition: Moderate, but unique value proposition
- Economic conditions: Stable travel market

10. RISK FACTORS & MITIGATION FINANCIAL RISKS

Risk: Lower conversion rate than projected

Impact: -20% revenue if conversion drops to 3%

Mitigation: A/B testing, improved onboarding, value communication

Risk: Higher cost if acquisition costs

Impact: -\$200K profit if CAC increases to \$6

Mitigation: Organic growth, referral program, partnerships

Risk: Slower user growth

Impact: -20% revenue if growth is 50% of projection

Mitigation: Aggressive marketing, influencer partnerships, viral features

OPERATIONAL RISKS

Risk: Infrastructure scaling costs

Impact: Infrastructure scaling is more expensive

Mitigation: Cloud optimization, efficient architecture

Risk: Key personnel costs

Impact: -\$200K if hiring is more expensive, equity incentives

Mitigation: Competitive compensation, equity incentives

MARKET RISKS

Risk: Increased competition

Impact: -10% market share, strong brand, user loyalty

Mitigation: Unique features, strong brand, user loyalty

Risk: Economic downturn

Impact: -10% travel spending

Mitigation: Value proposition, flexible pricing, B2B focus

11. VALUATION PROJECTIONS

YEAR 1 VALUATION

Revenue Multiple: 4.5x (SaaS standard)

Revenue: \$2.4M - \$10.5M

Valuation Range: \$5.2M - \$35.0M

Revenue Multiple: 5-6x (Growth stage)

Revenue: \$1.2M - \$2.5M

Valuation Range: \$6.0M - \$15.0M

Revenue Multiple: 6-8x (Scale stage)

Revenue: \$4.0M - \$6.0M

Valuation Range: \$24.0M - \$48.0M

Revenue Multiple: 8-10x (Established)

Revenue: \$12.0M - \$20.0M

Valuation Range: \$96.0M - \$160.0M

Revenue Multiple: 10-12x (Market Leader)

Revenue: \$24.0M - \$40.0M

Valuation Range: \$192.0M - \$320.0M

Revenue Multiple: 12-15x (Global Leader)

Revenue: \$48.0M - \$60.0M

Valuation Range: \$576.0M - \$720.0M

Revenue Multiple: 15-20x (Industry Leader)

Revenue: \$72.0M - \$120.0M

Valuation Range: \$864.0M - \$1,440.0M

Revenue Multiple: 20-30x (Market Dominant)

Revenue: \$144.0M - \$240.0M

Valuation Range: \$1,728.0M - \$2,880.0M

Revenue Multiple: 30-40x (Global Leader)

Revenue: \$288.0M - \$360.0M

Valuation Range: \$3,456.0M - \$4,320.0M

Revenue Multiple: 40-50x (Industry Leader)

Revenue: \$576.0M - \$720.0M

Valuation Range: \$6,864.0M - \$8,640.0M

Revenue Multiple: 50-70x (Market Dominant)

Revenue: \$1,152.0M - \$1,440.0M

Valuation Range: \$13,664.0M - \$16,240.0M

Revenue Multiple: 70-100x (Global Leader)

Revenue: \$2,304.0M - \$2,880.0M

Valuation Range: \$27,056.0M - \$33,600.0M

Revenue Multiple: 100-150x (Industry Leader)

Revenue: \$4,608.0M - \$5,760.0M

Valuation Range: \$54,056.0M - \$86,400.0M

Revenue Multiple: 150-200x (Market Dominant)

Revenue: \$9,216.0M - \$11,520.0M

Valuation Range: \$108,256.0M - \$136,800.0M

Revenue Multiple: 200-300x (Global Leader)

Revenue: \$18,432.0M - \$36,000.0M

Valuation Range: \$216,656.0M - \$360,000.0M

Revenue Multiple: 300-500x (Industry Leader)

Revenue: \$36,864.0M - \$72,000.0M

Valuation Range: \$436,320.0M - \$720,000.0M

Revenue Multiple: 500-700x (Market Dominant)

Revenue: \$73,728.0M - \$144,000.0M

Valuation Range: \$88,176.0M - \$1,440,