

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
 - Growth: 5x from Year 1

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
 - Growth: 4x from Year 2

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

3. PROFIT & LOSS STATEMENT

33.2%

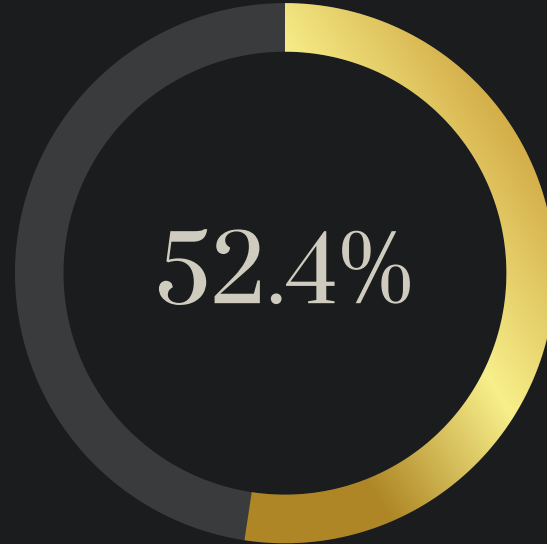
Year 1 Profit Margin

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: \$10,500,000
Operating Expenses: \$5,000,000

Net Cash Flow: \$5,500,000

Ending Cash: \$6,694,000

YEAR 3 CASH FLOW

Starting Cash: \$6,694,000
Revenue: \$42,000,000
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 Professional: \$299/month
 - Business Enterprise: \$799/month
- ### COST ASSUMPTIONS
- Customer Acquisition Cost: \$4 (Year 1-2), \$5 (Year 3)
 - Infrastructure cost per user: \$0.10/month
 - 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 than expected conversion rates
Impact: ~20% revenue if conversion drops to 3%
Mitigation: A/B testing, improved onboarding, value communication

Risk: Higher customer acquisition costs
Impact: ~\$200K profit if CAC increases to \$6
Mitigation: Organic growth, referral program, partnerships

Risk: Slower user growth
Impact: ~30% revenue if growth is 50% of projection
Mitigation: Aggressive marketing, influencer partnerships, viral features

OPERATIONAL RISKS

Risk: Infrastructure scaling costs
Impact: ~\$100K costs if scaling is more expensive
Mitigation: Cloud optimization, efficient architecture

Risk: Key personnel costs
Impact: ~\$200K if hiring is more expensive
Mitigation: Competitive compensation, equity incentives

MARKET RISKS

Risk: Increased competition
Impact: ~10% market share
Mitigation: Unique features, strong brand, user loyalty

Risk: Economic downturn
Impact: ~15% travel spending
Mitigation: Value proposition, flexible pricing, B2B focus

11. VALUATION PROJECTIONS

YEAR 1 VALUATION

Revenue Multiple: 4-5x (SaaS standard)
Revenue: \$2.1M
Valuation Range: \$8.4M - \$10.5M

YEAR 2 VALUATION

Revenue Multiple: 5-6x (Growth stage)
Revenue: \$10.5M
Valuation Range: \$52.5M - \$63M

YEAR 3 VALUATION

Revenue Multiple: 6-8x (Scale stage)
Revenue: \$42M
Valuation Range: \$264M - \$352M

EXIT SCENARIO VALUATION

Acquisition by Travel Tech Company:

- Year 3 Revenue: \$42M
- Acquisition Multiple: 8-10x revenue
- Potential Exit Value: \$352M - \$440M
- Early Investor Return: **352x - 440x (on \$1M investment)**

12. APPENDIX

GLOSSARY

ARR: Annual Recurring Revenue
MRR: Monthly Recurring Revenue
CAC: Customer Acquisition Cost
LTV: Lifetime Value
ARPU: Average Revenue Per User
Churn: Rate of customer cancellation
SaaS: Software as a Service
B2B: Business to Business
B2C: Business to Consumer

METHODOLOGY

Projections based on:

- Industry benchmarks for freemium mobile apps
- Market research on travel app market
- Comparable company analysis
- Conservative growth assumptions
- Market size and penetration estimates

DISCLAIMER

These financial projections are estimates based on current market conditions, industry benchmarks, and management assumptions. Actual results may vary significantly due to various factors including market conditions, competition, regulatory changes, and execution risks. These projections should not be considered as guarantees of future performance.

END OF FINANCIAL PROJECTIONS

For questions or additional financial information, please contact: investors@travelglobe.app

Document prepared for investor review and due diligence.