

# Financial Forecasting Report - 2-Year Horizon (FY 2027-2028)

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Prepared By: Financial Planning & Analysis (FP&A)

## 1. Executive Summary

This forecast models three potential scenarios for NexaCore based on the success of the AI Workflow Suite v3.0 launch (Project Phoenix). The **Base Case** assumes moderate market penetration and sustained efficiency gains from internal automation, projecting annual revenue growth stabilizing around **28-30%** and reaching near **\$120 Million ARR by the end of FY2028**. Our core strategy remains CapEx investment in R&D to ensure technological leadership.

## 2. Forecast Assumptions (Base Case)

Category	FY2027 Assumption	FY2028 Assumption
Customer Acquisition Cost (CAC)	Increases 10% (Market saturation).	Increases 5% (Targeted marketing).
Annual Churn Rate	Stabilizes at 1.5% (Enterprise focus).	Stabilizes at 1.5%.
Average Deal Size (ACV)	Increases 15% (Success of v3.0 upselling).	Increases 10% (Expansion into larger global contracts).
OPEX Growth (Excl. CoR)	25% Growth (Conservative hiring plan).	20% Growth (Operational maturity).
Cloud Compute (CoR)	10% YoY increase (Volume growth).	8% YoY increase (Further efficiency gains).

## 3. Comparative Scenario Projections (USD Million)

Metric	FY2026 E	FY2027 Base Case	FY2027 High	FY2028 Base Case	FY2028 High
Total Revenue	\$100M	\$120M	\$130M	\$140M	\$150M

			Growth		Growth
<b>Total Revenue (ARR)</b>	\$74.25M	<b>\$95.0M</b>	\$105.0M	<b>\$123.5M</b>	\$145.0M
<b>Gross Margin %</b>	85.0%	<b>85.5%</b>	86.0%	<b>86.0%</b>	86.5%
<b>Operating Income (EBIT)</b>	\$10.0M	<b>\$14.5M</b>	\$19.0M	<b>\$21.5M</b>	\$30.0M
<b>EBIT Margin %</b>	13.5%	<b>15.3%</b>	18.1%	<b>17.4%</b>	20.7%
<b>CapEx Investment</b>	\$7.5M	<b>\$8.0M</b>	\$10.0M	<b>\$7.0M</b>	\$8.5M

## 4. Sensitivity Analysis

A key risk is the delay in regional expansion (KSA/Egypt). A six-month delay in market entry reduces FY2027 Base Case Revenue by **\$8 Million** and decreases EBIT by **\$1.5 Million**, primarily due to unutilized Sales & Marketing resources.

**Conclusion:** The Base Case demonstrates sustainable, profitable growth while prioritizing strategic R&D investment.