Financial Plan

Progressive Digital Labs’ financial strategy balances realism with ambition. We recognize the highly cyclical nature of political campaign revenues and the unique requirements of Democratic-aligned organizations. This section integrates projected revenues, expense assumptions, sensitivity analysis, and investor-oriented metrics to provide a comprehensive picture of financial sustainability.

Revenue Model

Revenues begin in **2026**. The year **2025 is purely a SEED stage year**, dedicated to validating market assumptions, building prototypes, forming partnerships, and refining the technology. No deployments or billings occur in 2025.

By 2026, early revenues are expected from **Senate, House, gubernatorial, and presidential campaigns** piloting our AI visibility and structured discovery tools. Committees and officeholders enter later, providing a longer tail of recurring revenue between election cycles. Revenues rise through 2028 as adoption grows and structured visibility becomes indispensable to competitive campaigns.

Sensitivity Analysis

Because campaign revenues are highly cyclical, we present scenarios for **low, base, and high adoption** by 2028. These scenarios reflect differing assumptions about the number of campaigns onboarded and average spend per campaign.

Revenue and Expense Scenarios (2028)

Category	Low Case ($M)	% Rev	Base Case ($M)	% Rev	High Case ($M)	% Rev
Revenues	2.5	100%	4.2	100%	6.5	100%
Expenses						
R&D;	1.2	48%	1.5	36%	1.8	28%
Compliance & Legal	0.4	16%	0.5	12%	0.6	9%
Go-to-Market	0.9	36%	1.2	29%	1.6	25%
Infrastructure	0.4	16%	0.5	12%	0.6	9%
Total Expenses	2.9	116%	3.7	88%	4.6	71%
Cash Flow	-0.4	-16%	+0.5	12%	+1.9	29%

Methodology: Campaign counts × ARPU drive revenue assumptions. Expense categories scale with adoption. Percentages reflect expenses relative to revenue.

CAC and LTV Analysis

Our financial model incorporates SaaS-standard efficiency metrics.

• **CAC (Customer Acquisition Cost):** Includes sales, marketing, support, and onboarding, divided by the number of new campaigns in a year.
• **LTV (Lifetime Value):** Average annual account value × expected duration (1–2 years for campaigns, longer for committees and officeholders).

Efficiency Ratios (Base Case)

Metric	2026	2027	2028
CAC ($K)	22	18	15
LTV ($K)	55	65	80
CAC / LTV	0.40	0.28	0.19

Interpretation: Even under conservative assumptions, CAC/LTV remains within investor-acceptable SaaS ranges. By 2028, strong leverage emerges from lower CAC per campaign as reputation and distribution partnerships improve.

Funding Plan

We plan to raise **$5M total capital** through a staged approach:

• **Seed (2025):** $0.5M to validate assumptions, build prototype, establish partnerships.
• **Series A (2026):** $2.5M to fund first campaign deployments, expand R&D; and GTM.
• **Convertible Debt (2027):** $2.0M to provide runway and flexibility ahead of scaling in 2028.

This financing ensures sufficient runway to reach **neutral cash flow in 2028**, even under conservative adoption.

Sensitivity Interpretation

• **Low Case (2.5M revenue):** Cash flow is negative (-$0.4M). Management would reduce expenses, particularly discretionary GTM spend, and extend partnerships to bridge the gap. Additional capital may be considered.
• **Base Case (4.2M revenue):** Cash flow positive (+$0.5M). Validates sustainability at moderate adoption.
• **High Case (6.5M revenue):** Strong positive cash flow (+$1.9M). Resources would be reinvested in technology, partnerships, and resilience to lock in durable advantage.

Cross-References

• **Business Model (BMC):** For value propositions, distribution, and customer segments.
• **Investment Ask:** For detailed use of funds and exit pathways.
• **Risk & Mitigation:** For downside scenarios tied to adoption rates.

Footnotes

1. Strategyzer AG, *Business Model Canvas Framework* – https://www.strategyzer.com/
2. Wesleyan Media Project, FEC filings analysis of Democratic campaign digital + technology spend (2016–2022).
3. Cook Political Report, *Campaign Spending Forecasts 2024–2028*.