

Variables

Proportion of premium users	0.05
Premium revenue per user	60
Ad revenue per user	0.005
Server costs per year	240
Development cost per year	150000
Base advertising cost	5000
Additional advertising cost per year	5000
NPV rate	20%

	2021	2022	2023	2024
Total users	10000	30000	80000	150000

Revenue from premium	30000	90000	240000	450000
Ad revenue	50	150	400	750
Total Revenue	30050	90150	240400	450750

Development costs	150000	150000	150000	150000
Server expenses	240	240	240	240
Advertising costs	5000	10000	15000	20000
Total Costs	155240	160240	165240	170240

Net revenue	-125190	-70090	75160	280510
Break even totals	-125190	-195280	-120120	160390

Net present value \$25,773.57