

**Variables**

Proportion of premium users	0.05
Premium revenue per user	60
Ad revenue per user per year	0.06
Server costs per year	240
Development cost per year	150000
Base advertising cost	5000
Additional advertising cost per year	5000
NPV rate	12%

	2021	2022	2023	2024
Total users	10000	30000	80000	150000
Revenue from premium	30000	90000	240000	450000
Ad revenue	600	1800	4800	9000
<b>Total Revenue</b>	<b>30600</b>	<b>91800</b>	<b>244800</b>	<b>459000</b>
Development and maintainance expenses	150000	150000	150000	150000
Server expenses	240	240	240	240
Advertising costs per year	5000	10000	15000	20000
<b>Total Costs</b>	<b>155240</b>	<b>160240</b>	<b>165240</b>	<b>170240</b>
<b>Net revenue</b>	<b>-124640</b>	<b>-68440</b>	<b>79560</b>	<b>288760</b>
<b>Break even totals</b>	<b>-124640</b>	<b>-193080</b>	<b>-113520</b>	<b>175240</b>
<b>Net present value</b>	\$74,295.77			
<b>Internal Rate of Return</b>	30%			