

<b>Variables</b>	
Proportion of premium users	\$ 0.05
Premium revenue per user	\$ 60.00
Ad revenue per user per year	\$ 0.06
Server costs per year	\$ 240.00
Development cost per year	\$ 150,000.00
Base advertising cost	\$ 5,000.00
Additional advertising cost per year	\$ 5,000.00
NPV rate	12%

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
<b>Total users</b>	10000	30000	80000	150000
<b>Revenue</b>				
Revenue from premium	\$ 30,000.00	\$ 90,000.00	\$ 240,000.00	\$ 450,000.00
Ad revenue	\$ 600.00	\$ 1,800.00	\$ 4,800.00	\$ 9,000.00
<b>Total Revenue</b>	<b>\$ 30,600.00</b>	<b>\$ 91,800.00</b>	<b>\$ 244,800.00</b>	<b>\$ 459,000.00</b>
<b>Costs</b>				
Development/maintainance expenses	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00	\$ 150,000.00
Server expenses	\$ 240.00	\$ 240.00	\$ 240.00	\$ 240.00
Advertising costs per year	\$ 5,000.00	\$ 10,000.00	\$ 15,000.00	\$ 20,000.00
<b>Total Costs</b>	<b>\$ 155,240.00</b>	<b>\$ 160,240.00</b>	<b>\$ 165,240.00</b>	<b>\$ 170,240.00</b>
<b>Net revenue</b>	<b>\$ (124,640.00)</b>	<b>\$ (68,440.00)</b>	<b>\$ 79,560.00</b>	<b>\$ 288,760.00</b>
<b>Break even totals</b>	<b>\$ (124,640.00)</b>	<b>\$ (193,080.00)</b>	<b>\$ (113,520.00)</b>	<b>\$ 175,240.00</b>

**Net present value** \$74,295.77  
**Internal Rate of Return** 30%