# McJohnson Wallet - Financial Projections (24 Months)

**Note:** This is a conservative projection based on two funding scenarios. All numbers in USD. Month 0 = Launch Month.

## Funding Scenarios

### Scenario A: Minimum Funding ($55,000)

**$55K**

Total Funding

**6-9**

Months Runway

**Solo**

Team Size

**Scenario B: Comfortable Funding ($100,000)**

## $100K

Total Funding

## 9-12

Months Runway

## 2-3

Team Size (by M6)

## Scenario A: Minimum Funding ($55,000) – Monthly Breakdown

| Month | Revenue | Expenses | Net Cash Flow | Cash Balance | Notes |
|-------|---------|----------|---------------|--------------|-------|
| **Month 0** | $0 | $21,000 | -$21,000 | $34,000 | Launch: $15K liquidity, $3K marketing, $2K infrastructure, $1K legal |
| **Month 1** | $0 | $4,500 | -$4,500 | $29,500 | $2K founder salary, $1.5K infra, $1K marketing |
| **Month 2** | $0 | $4,500 | -$4,500 | $25,000 | Ongoing operations |
| **Month 3** | $0 | $7,500 | -$7,500 | $17,500 | $5K security audit, $2.5K operations |
| **Month 4** | $0 | $4,500 | -$4,500 | $13,000 | Ongoing operations |
| **Month 5** | $0 | $4,500 | -$4,500 | $8,500 | Ongoing operations |

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|---|---|---|---|---|---|
| **Month 6** | $500 | $4,500 | -$4,000 | $4,500 | First RPC revenue (small), need additional funding |
| **Month 7** | $1,500 | $4,500 | -$3,000 | $1,500 | RPC revenue growing, critical funding needed |
| **Month 8** | $2,500 | $4,500 | -$2,000 | -$500 | ⚠️ NEED ADDITIONAL FUNDING OR REVENUE |
| **Month 9-12** | $5K-$10K/mo | $4.5K/mo | **+$500 - $5.5K** | **Break-even →Positive** | RPC revenue sustainable, first-party apps launching |
| **Total (0-12)** | ~$15,000 | ~$70,000 | -$55,000 (initial) + $15K revenue | ~$0 (need secondary funding M7-8) | Break-even by Month 10-12 |

# Scenario B: Comfortable Funding ($100,000) – Monthly Breakdown

| Month | Revenue | Expenses | Net Cash Flow | Cash Balance | Notes |
|-------|---------|----------|---------------|--------------|-------|
| **Month 0** | $0 | $38,000 | -$38,000 | $62,000 | Launch: $30K liquidity, $5K marketing, $2K infra, $1K legal |
| **Month 1** | $0 | $5,000 | -$5,000 | $57,000 | $2K founder, $2K infra, $1K marketing |
| **Month 2** | $0 | $5,000 | -$5,000 | $52,000 | Ongoing operations |
| **Month 3** | $0 | $13,000 | -$13,000 | $39,000 | $10K security audit (professional), $3K operations |
| **Month 4** | $200 | $7,500 | -$7,300 | $31,700 | Hire part-time dev ($3K/mo), $2K founder, $2.5K operations |

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|---|---|---|---|---|---|
| **Month 5** | $500 | $7,500 | -$7,000 | $24,700 | Team of 2, RPC starting |
| **Month 6** | $1,500 | $7,500 | -$6,000 | $18,700 | RPC revenue growing |
| **Month 7** | $3,000 | $7,500 | -$4,500 | $14,200 | Multiple RPC clients |
| **Month 8** | $5,000 | $7,500 | -$2,500 | $11,700 | Revenue accelerating |
| **Month 9** | $7,000 | $7,500 | -$500 | $11,200 | Near break-even |
| **Month 10** | $8,500 | $7,500 | **+$1,000** | $12,200 | BREAK-EVEN ACHIEVED |
| **Month 11** | $10,000 | $7,500 | **+$2,500** | $14,700 | Profitable |
| **Month 12** | $12,000 | $7,500 | **+$4,500** | $19,200 | Strong growth, reinvesting |

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|---|---|---|---|---|---|
| **Total (0-12)** | ~$47,700 | ~$121,000 | -$100K (initial) + $47.7K revenue | $19,200 | Break-even Month 10, profitable by end of Year 1 |

# Revenue Projections (Both Scenarios)

| Revenue Stream | Month 6 | Month 12 | Month 18 | Month 24 |
|---|---|---|---|---|
| **RPC Node Infrastructure** | $500 | $5,000 | $12,000 | $20,000 |
| **First-Party Mini-Apps** | $0 | $2,000 | $8,000 | $15,000 |
| **Developer Tools Premium** | $0 | $1,000 | $3,000 | $8,000 |
| **Enterprise Partnerships** | $0 | $0 | $5,000 | $12,000 |
| **Total Monthly Revenue** | $500 | $8,000 | $28,000 | $55,000 |

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|---|---|---|---|---|
| **Annual Run Rate** | $6,000 | $96,000 | $336,000 | $660,000 |

## Expense Breakdown (Monthly Average)

| Category | Months 0-3 | Months 4-6 | Months 7-12 | Months 13-24 |
|---|---|---|---|---|
| Personnel | | | | |
| Founder Salary | $2,000 | $2,000 | $2,500 | $3,500 |
| Developer(s) | $0 | $3,000 | $5,000 | $8,000 |
| Contractors/Freelancers | $500 | $1,000 | $1,500 | $2,500 |
| Infrastructure | | | | |
| RPC Node Hosting | $500 | $800 | $1,200 | $2,000 |

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|---|---|---|---|---|
| IPFS Pinning (Pinata/Infura) | $300 | $400 | $600 | $1,000 |
| Backend Servers/CDN | $200 | $300 | $500 | $800 |
| Operations | | | | |
| Marketing & Ads | $1,000 | $800 | $1,000 | $2,000 |
| Developer Grants/Bounties | $1,000 | $500 | $500 | $1,000 |
| Legal/Compliance | $200 | $150 | $200 | $300 |
| Miscellaneous/Buffer | $300 | $300 | $500 | $800 |
| **Total Monthly Expenses** | ~$6,000 | ~$9,250 | ~$13,500 | ~$21,900 |

# Key Assumptions

## Revenue Assumptions:

- **RPC Nodes:** 10-20 clients by Month 12 @ $250-500/mo average
- **First-Party Apps:** Launch Month 8-10, 500-1000 active users by M12
- **Developer Tools:** Premium tier @ $50-100/mo, 10-30 customers by M12
- **Enterprise:** 1-2 partnerships by Month 18 @ $2.5K-5K/mo each

## Expense Assumptions:

- **Founder Salary:** Below-market ($24K-42K/year) during bootstrap
- **Developer Hire:** Part-time initially ($3K/mo), full-time Month 7+ ($5K-8K/mo)
- **Infrastructure:** Scales with usage (more users = higher costs but also revenue)
- **Marketing:** Conservative, primarily organic + community-driven

## User Growth Assumptions:

- **Month 3:** 1,000 users (launch marketing)
- **Month 6:** 5,000 users (organic growth + mini-apps)
- **Month 12:** 10,000-15,000 users (network effects)
- **Month 24:** 50,000+ users (established ecosystem)

# Break-Even Analysis

| Scenario | Initial Funding | Break-Even Month | Cumulative Loss at Break-Even | Cash Position at M12 |
|----------|-----------------|------------------|-------------------------------|----------------------|
| **Scenario A (Minimum)** | $55,000 | Month 10-12 | ~$55,000 | ~$0 (⚠️ need secondary funding M7-8) |
| **Scenario B (Comfortable)** | $100,000 | Month 10 | ~$80,000 | $19,200 |

# Sensitivity Analysis

| Variable | Best Case | Base Case | Worst Case |
|----------|-----------|-----------|------------|
| **User Growth** | 20K users by M12 | 10K users by M12 | 5K users by M12 |
| **Revenue Month 12** | $15,000/mo | $8,000/mo | $3,000/mo |

| | | | |
|---|---|---|---|
| **Break-Even** | Month 8 | Month 10 | Month 15+ |
| **Cash at M12 (Scenario B)** | $35,000 | $19,200 | $5,000 (need funding) |

# Funding Recommendations

## ✅ Recommended: Scenario B ($100,000)

**Why:**

- ✅ Comfortable runway to break-even (10 months)
- ✅ Allows hiring 1 additional developer (faster product development)
- ✅ Buffer for unexpected expenses or slower revenue growth
- ✅ Larger liquidity pool ($30K vs $15K) = better trading experience
- ✅ Professional security audit ($10K) = trust and safety
- ✅ More aggressive marketing = faster user acquisition

**Risk Level:** Low (high confidence in break-even by M10)

## ⚠️ Risky but Viable: Scenario A ($55,000)

**Why:**

- ✅ Gets you to market (minimal viable launch)
- ⚠️ Solo development = slower progress
- ⚠️ Will need secondary funding by Month 7-8

- ⚠️ Lower liquidity ($15K) = potential price volatility
- ⚠️ Basic security audit ($5K) = might miss issues

**Risk Level:** Medium-High (must secure follow-on funding or revenue accelerates)

# Conclusion

**Key Takeaways:**

- **Both scenarios are viable** - Scenario A gets you launched, Scenario B gets you to sustainability
- **Break-even is achievable** - RPC node infrastructure is a proven revenue model
- **Revenue growth is conservative** - If user adoption is faster, revenue accelerates proportionally
- **Most critical period: Months 7-10** - Revenue must grow or secondary funding needed (Scenario A)
- **Year 2 looks strong** - With $55K/mo revenue by M24, project is self-sustaining and profitable

**Recommendation to Funders:**

**Fund Scenario B ($100K)** to give the project the best chance of success without requiring follow-on funding. This is a young, talented founder with a working product who just needs runway to reach product-market fit and revenue sustainability.

**Expected ROI (for ecosystem, not financial):**

- 50+ new mini-apps on Polygon
- 10,000+ new Polygon users onboarded
- Open-source wallet and SDK for community

- RPC infrastructure benefiting broader ecosystem
- Proven model for Web3 app distribution via IPFS