

■ API-Factory Financial Forecast Report

1. Revenue Model

Primary Revenue Streams:

- Subscription Plans (API creators pay to host/manage APIs)
- Usage-Based Fees (metered billing per API call)
- Marketplace Commissions (percentage from API sales in API-Factory marketplace)
- Enterprise Plans (dedicated gateways, compliance add-ons, SLAs)

Pricing Tiers (Estimated):

- Starter: \$29/mo + 2% usage fee
- Pro: \$99/mo + 1% usage fee
- Enterprise: \$1,000+/mo custom

2. Market Opportunity

Target TAM: ~\$6B+ API Management & Monetization market (growing 25% YoY)

SAM: Independent devs + startups (~\$800M today)

SOM: First 3 years focus on niche APIs and small teams, ~1% market penetration

3. 3-Year Forecast

Year	Users (Paying)	Avg. Rev/User	Subscription Revenue	Usage & Commission Revenue	Total Revenue
Year 1	500	\$40/mo	\$240K	\$120K	\$360K
Year 2	2,500	\$55/mo	\$1.65M	\$1.1M	\$2.75M
Year 3	10,000	\$75/mo	\$9M	\$6M	\$15M

4. Expenses (Estimates)

Category	Year 1	Year 2	Year 3
Cloud Infra (API hosting, DB)	\$120K	\$400K	\$1M
Dev & Ops (Team)	\$300K	\$1M	\$2.5M
Compliance & Security	\$80K	\$150K	\$300K
Sales & Marketing	\$100K	\$500K	\$1.5M
Total OPEX	\$600K	\$2.05M	\$5.3M

5. Profitability Forecast

Year 1: -\$240K (investment phase)

Year 2: +\$700K (breakeven achieved mid-year)

Year 3: +\$9.7M (high-margin growth)

6. Key Assumptions

- 10–15% monthly growth in active APIs onboarded
- Churn rate ~5% monthly (offset by sticky marketplace effects)
- Gross margins ~70% after infra costs
- Early compliance advantage accelerates enterprise adoption

7. Strategic Levers

- Network Effects: More APIs → stronger marketplace → more devs → higher retention
- Enterprise Upsell: HIPAA/SOC2/GDPR compliance → higher ARPU
- Long-Tail APIs: Low competition, high loyalty niches
- Developer Stickiness: SDKs, docs, analytics, and built-in billing

■ Summary

API-Factory is positioned to hit \$15M ARR by Year 3 with strong margins and network lock-in effects, making it venture-scale and attractive for enterprise adoption. Break-even expected in Year 2, with profitability scaling rapidly as the marketplace matures.