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**CAPITAL BUDGETING AND INVESMENT ANALYSIS OF A TECHNOLOGY
SPINOFF STARTUP BASED IN CANADA**

FORTALEZA

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Undergraduate thesis presented to the Mechanical Production Engineering Course of the Centro de Tecnologia from the Universidade Federal do Ceará, as partial requirement for the title of Mechanical Production Engineer.

Supervisor: Prof. Dr. Abraão Freires Saraiva Júnior.

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To God.

To my parents Nilbio and Patrícia.

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“Success is not final, failure is not fatal: it is the courage to continue that counts” – Winston Churchill

RESUMO

O mercado da tecnologia possui grande demanda nos dias de hoje. No entanto, existe também uma grande competitividade. Devido a isso, empreendedores e investidores buscam otimizar seus recursos quando inseridos em um novo negócio. Baseado nesses fatores, o presente trabalho tem como objetivo descrever as etapas tomadas e os resultados de uma análise econômico financeira, aplicação de benchmarking com o atual líder de mercado do segmento e a criação de uma análise dos cenários de marketing digital e de investimentos de uma startup criada como uma spinoff de tecnologia na cidade de Waterloo - Ontário, Canadá. Para isso, foi desenvolvida uma pesquisa bibliográfica e uma pesquisa ação para conduzir o estudo. Durante as fases de estudo, foram desenvolvidos 3 cenários de crescimento para uma melhor análise baseada em um grande concorrente bem estabelecido no mercado. Além disso, foram construídos 3 cenários de investimentos em marketing digital que impactariam na modelagem. Um profundo estudo sobre os custos associados a cada plataforma desta indústria. Valores como as taxas de conversão e penetração no mercado foram considerados. A análise completa forneceu índices como o VPL, TIR, Payback e Ponto de Equilíbrio. O estudo também possibilitou calcular a valorização da empresa e a necessidade de capital de giro e aporte de capital. Os resultados apresentaram uma orientação sobre quanto deve ser investido nas plataformas de marketing digital, como também na criação de metas de desempenho e crescimento, bem como o entendimento de como essas métricas terão impacto sobre o valor de mercado da startup.

Palavras-chave: Viabilidade econômico financeira. Marketing Digital. Benchmarking. Startup. Spinoff.

ABSTRACT

There is a great demand on the technology market these days. However, there is also great competition. As a result, entrepreneurs and investors seek to optimize their resources when evaluating a new business. Based on these factors, the present work aims to describe the steps taken and the results of a capital budgeting and investment analysis, benchmarking of the current market leader and the analysis of digital marketing investment scenarios on a startup created as a technology spinoff based in the city of Waterloo - Ontario, Canada. A literature review and an action research were developed to conduct the study. During the phases of study, it was developed 3 growth scenarios for a better analysis based on a big market competitor well established in the market. In addition, it was built 3 scenarios of digital marketing investments that would impact on the modelling. A deep study on the costs associated to each platform of this industry, conversion rates and market penetration were considered. The complete analysis provided indexes such as the NPV, IRR, Payback and Breakeven periods. The study also made possible to calculate valuation of the business and necessity of working capital and funding. The outputs presented insightful guidance on how much should be invested on digital marketing platforms and on establishing performance and growth goals as well as the understanding of how these metrics will impact on the market value of the Startup.

Keywords: Capital Budgeting. Digital Marketing. Benchmarking. Startup. Spinoff.

LIST OF FIGURES

Figure 1 - The breakeven.....	22
Figure 2 - Phases of study.....	25
Figure 3 - Slacks growth over the years.....	31
Figure 4 – Net Present Value Results Graphically.....	52
Figure 5 – IRR vs. MARR Graphically.....	53
Figure 6 – Business Valuation.....	54

LIST OF CHARTS

Chart 1 - Steps considered when calculating the FCF.....	18
Chart 1 - Market Size.....	30
Chart 3 - Slack's growth and conversion rates.....	32
Chart 4 - Slack's average growth and conversion rates.....	32
Chart 5 - Growth scenarios established.....	33
Chart 6 - Demographic information used	34
Chart 7 - Social Media demographics.....	34
Chart 8 - Search Engines demographics.....	34
Chart 9 - Calculation of social media investments.....	36
Chart 10 - Calculation of Search Engine Investment.....	36
Chart 11 - Total investment needed on digital marketing.....	37
Chart 12 - Digital Marketing investment scenarios.....	37
Chart 13 - Total costs year by year.....	38
Chart 14 – Cost estimations for year 1 on high marketing investment scenario.....	40
Chart 15 – Cost estimations for year 2 on high marketing investment scenario.....	41
Chart 16 – Cost estimations for year 3 on high marketing investment scenario.....	42
Chart 17 - Demand and revenue forecast.....	43
Chart 18 - Demand and revenue forecast on high marketing investment scenario and normal growth scenario.....	44
Chart 19 - Federal and provincial taxation in Canada.....	45
Chart 20 - Fixed and variable costs of revenue.....	46
Chart 21 – Free Cash Flow statement for year 1.....	47
Chart 22 – Free Cash Flow statement for year 2.....	48
Chart 23 – Free Cash Flow statement for year 3.....	49
Chart 24 - Free Cash Flow statement summarized.....	50

Chart 25 - Results analysis for each scenario combination.....51

Chart 26 – CAC and other indexes.....54

SUMMARY

1	INTRODUCTION.....	14
1.1	Contextualization.....	14
1.2	Objectives.....	15
1.2.1	<i>Overall objective.....</i>	15
1.2.2	<i>Specific objectives.....</i>	15
1.3	Structure.....	15
2	THEORETICAL BACKGROUND.....	17
2.1	Capital budgeting and investment analysis.....	17
2.1.1	<i>Free Cash Flow (FCF).....</i>	17
2.1.2	<i>Minimum Acceptable Rate of Return (MARR).....</i>	18
2.1.3	<i>Net Present Value (NPV).....</i>	19
2.1.4	<i>Internal Return Rate (IRR).....</i>	20
2.1.5	<i>Payback period method.....</i>	21
2.1.6	<i>Breakeven analysis.....</i>	21
2.2	Benchmarking.....	22
2.3	Digital Marketing.....	22
2.4	Considerations.....	23
3	METHODOLOGY	24
3.1	Type of Study.....	24
3.2	Phases of the Study.....	25
3.2.1	<i>Phase 1: Description of the main characteristics and the context of the business.....</i>	26
3.2.2	<i>Phase 2: Benchmarking a big market competitor and setting up growth scenarios.....</i>	26
3.2.3	<i>Phase 3: Collecting marketing statistics, demographics and investments.....</i>	26
3.2.4	<i>Phase 4: Estimating future cost structure, demand and revenue forecast.....</i>	27
3.2.5	<i>Phase 5: Creating Free Cash Flow (FCF) and results analysis.....</i>	27
3.3	Considerations.....	28
4	METHOD APPLICATION AND RESULTS.....	29
4.1	Phase 1: Description of the main characteristics and the context of the business.....	29
4.2	Phase 2: Benchmarking market leader and setting up growth scenarios.....	30
4.2.1	<i>Benchmarking a big market competitor and setting up growth scenarios.....</i>	30
4.2.2	<i>Setting up growth scenarios.....</i>	32

4.3	Phase 3: Collecting digital marketing statistics, demographics and calculating investments.....	33
4.3.1	<i>Collecting digital marketing statistics, demographics.....</i>	33
4.3.2	<i>Calculating investments and creating digital marketing investment scenarios....</i>	35
4.4	Phase 4: Estimating future cost structure, demand and revenue forecast.....	37
4.4.1	<i>Cost structure estimative.....</i>	38
4.4.2	<i>Demand and revenue forecast.....</i>	43
4.5	Phase 5: Creating Free Cash Flow (FCF) and results analysis.....	45
4.5.1	<i>Small business taxation rates and Claim Capital Allowances (CCA).....</i>	45
4.5.2	<i>Free Cash Flow Statement.....</i>	46
4.5.3	<i>Scenario result analysis.....</i>	51
4.6	Considerations.....	54
5	CONCLUSION.....	56
5.1	Limitations.....	56
5.2	Suggestions for future studies.....	57
	REFERENCES.....	59
	APENDIX A – EXPENSES FORECAST.....	64
	APENDIX B – DEMAND AND REVENUE FORECAST.....	70
	APENDIX C - FREE CASH FLOW STATEMENTS FOR ALL ANALYSIS SCENARIOS.....	78
	APENDIX D – GRAPHICAL RESULT ANALYSIS.....	102

1 INTRODUCTION

This chapter will approach three topics introducing the study. They are: Context, Goals and Paper Structure.

1.1 Contextualization

For Maldaner and Fiorin (2018), companies with entrepreneurial culture are constantly pursuing new opportunities to maintain their competitive advantage. According to Tübke (2004), a corporate spinoff can be described as the division of an existing company into one parent company and another independent one, that has new product or new business model separated from the parent organization (apud NILSSON, 2017, p.5). The definition of Startup according to Blank (2010) is an organization formed to search for a repeatable and scalable business model.

The company analyzed was born from its parent company which is a global leader in its own segment for environmental monitoring software. With the desire to expand its boundaries, a spinoff was created. The new business is a Startup that is currently developing solutions for business across the globe. The solution aims to improve communication among teams, clients and suppliers, as well as improving its file management and scheduling. The solution fits perfectly on Blank's definition for Startup once the same software can be delivered to multiple clients, what makes it repeatable and there are less barriers for its delivery and adoption compared to physical products, which makes it scalable.

According to Statista (2019), the global technology market spending is currently at the mark of 3360 billion dollars. This means that the needs for this type products which includes software solutions is constantly increasing.

As a result, there is an enormous demand for technology globally. The product has been developed and tested mostly internally with its parent company. It also has clients across Canada, United States and Brazil. However, the venture in this study aims to launch its product globally for a larger number of users on the current year of 2019.

However, KPMG (2014) states that the technology sector is experiencing tremendous, fast-paced growth which causes a fierce competition, making innovation cycles to occur at an increasingly rapid pace.

The company analyzed in this work is a Canadian Spinoff Startup that develops tech solutions for the Business To Business (B2B). The business is currently facing challenges to succeed. In this scenario, the following research question was defined: Is it viable for a new business to deliver a new product on a highly competitive market nowadays? For that, this study was developed in order to project a capital budgeting analysis considering growth benchmarks and scenarios of investments on digital marketing.

1.2 Objectives

1.2.1 Overall objective

The overall goal of this study is to describe and explain the steps taken and the results of a capital budgeting analysis of a business by benchmarking one of the market leaders of the segment and create an analysis of digital marketing and investments scenarios on the field.

1.2.2 Specific objectives

- Make a capital budgeting analysis of the business;
- Benchmark the growth and performance from competitors;
- Create investment scenarios for digital marketing;
- Create predictions on future cash flow and funding needs;

1.3 Structure

This paper is divided in 5 chapters. The first chapter presents the general contextualization of the work, the objectives to be achieved and the structure that follows.

The second chapter presents the literature review, where it is discussed the concepts used on the main themes of this work, such as the capital budgeting analysis, Free Cash Flow analysis, Net Present Value, Internal Return Rate and Breakeven.

The third chapter discuss the research methodology used in the work, its classification, delimitation and characterization, as well as the steps taken on the development of study.

The fourth chapter describes how the study was developed and all the processes taken during the development of the research, how the analysis were made, and the results obtained.

The fifth chapter presents the author's conclusions, indicating the scope of the general and specific objectives, as well as the learning obtained during the execution of the work and the recommendations for further studies.

Finally, the theoretical reference and the supplementary information are presented in the form of appendices.

2 THEORETICAL BACKGROUND

This chapter goes through the literature, the authors that describes the methods approached on this research.

2.1 Capital budgeting and investment analysis

According to Alkaraan and Hopper (2005), capital budgeting and investment analysis is the decision process relating to long-term capital investment programmes. According to the authors, common investment decisions include introducing electronic commerce, new product lines, acquiring or merging with another company, major research and development plans among others. These decisions are the basis for future success and involves substantial costs and benefits, permeated with uncertainty and long-term impacts, adds the authors.

For Alkaraan and Hopper (2005), some of the main methods to financially evaluate investments are Net Present Value (NPV), the Internal Return Rate (IRR), the Payback period, among others. These methods and others were used on this study and are described on the sections that follows on this present chapter.

2.1.1 Free Cash Flow (FCF)

In order to structure the capital budgeting and investment analysis, it is needed to build a Cash Flow analysis first. For this work it is used the Free Cash Flow (FCF) method, which according to Schweser (2008), is the cash that is available to all of the investors of the business, after the firm buys and sells products or provides services, pays its cash operating expenses and makes investments for the short and long term.

Fernández (2006) states that the FCF is generated by operations after tax, without considering the business's debt level, in other words, there is no subtraction of the company's interest expenses. In order to calculate the Free Cash Flow from the net income, the following operations have to be made according to the Chart 1.

Chart 1 - Steps considered when calculating the FCF

= Profit after tax
+ Depreciation and amortization
- Increase in Working Capital Requirements
- Increase in other assets
- Gross investment in fixed assets
+ Interests (1 - T)
+ Book value of disposals and sold fixed assets
<hr/>
= Free Cash Flow (FCF)

Source: Adapted from Fernández (2006).

According to Damodaran (2001), when estimating the amount of cash, a business can afford to return to its investors, it is first analyzed the stockholder's earnings during a determined period of time. This value is subtracted to the firm's reinvestment needs, creating a cashflow. The author continues by explaining that first, any capital expenditures, including acquisitions, are subtracted from the net income, as they represent cash outflows. On the other hand, still according to the author, depreciation and amortization are added back since they are non-cash charges. As a result, the difference between capital expenditures and depreciation is referred to as net capital expenditures and is usually a function of the growth characteristics of the firm, concludes Damodaran (2001).

2.1.2 Minimum Acceptable Rate of Return (MARR)

Fraser and Jewkes (2013) state that, when evaluating projects, companies will set for itself a lower limit for an investment acceptability that is known as the Minimum Acceptable Rate of Return (MARR). This rate must be earned for any project to be accepted. As a result, projects that earn at least the MARR are desirable, which means that the money earnings are at least equivalent to other investments elsewhere, according to the authors.

For Apostolakis (2007), MARR is a cut-off rate that represents a yield on investments that is considered minimally acceptable. When established, if the MARR is too high, opportunities are lost, and when too low, income is lost.

Fraser and Jewkes (2013) complements their definition by stating that MARR is an opportunity cost in two ways. First, investors have opportunities to invest outside any given company. As a result, investing on a certain company takes the chance of investing elsewhere. Second, with the MARR set, investing in a new project leaves the opportunity of

using the business funds to invest in other projects that are able to pay the MARR at least, according to the authors.

2.1.3 Net Present Value (NPV)

One of the fundamental ways to analyze investments is the net present value rule. According to Damodaran (2001), the Net Present Value (NPV) reflects the present value of the expected cash flows of a project when compared against any investment needs. It is the measurement of money surplus value on the project. The author also states that, investing in projects with positive NPV increases the value of the firm, therefore investments in projects with negative NPV reduces value.

If assumed that “X” is the upfront investment needed for a new project and “V” as the value of the expected cash inflows from investing in the project, computed today; we can calculate the NPV by the subtraction of the two variables (DAMODARAN, 2001).

$$NPV = V - X$$

Cash inflows may vary over the period in which the project takes place due to changes in either the cash flows or the discount rate. As stated by Damodaran (2001), a negative NPV can still be considered a good project if given more time. As a result, a company’s decision over NPV can be summarized as follows:

- a) If $V > X$ - Project has positive NPV, thus should receive investments;
- b) If $V < X$ - Project has negative NPV, and it might not be a good investment at the moment.

It is not mentioned by the author the scenario in which $V = X$. However, on this scenario there is no destruction nor creation of value. Meaning in this case that the project was most likely to have a remuneration equal to the MARR. As a result, it can still be considered a positive feedback to back the investment on the project.

2.1.4 Internal Return Rate (IRR)

Fraser and Jewkes (2013) state that one of the ways to measure the return from an investment is as a rate of return per dollar invested, that is analyzed as an interest rate, called Internal Return Rate (IRR). The authors define the IRR as the interest rate at which a project just breaks even.

For Ehrhardt and Brigham (2011), a project's IRR is the discount rate that forces the Present Value of the inflows to equal the initial cost. This is equivalent to forcing the NPV to equal zero by the algebraic sum of the cashflows. The IRR is an estimate of the project's rate of return. The author presents the following formula to calculate the IRR:

$$\sum_{j=0}^n CF_j * \left\{ \frac{1}{(1 + IRR)} \right\}^j = 0$$

Where:

n = Cash Flow's period of time;

j = Generic period [0; n];

CF_j = Cash Flow during j period;

IRR = Internal Return Rate.

Jensen (2005) states that if the IRR is greater than the MARR, the alternative should be considered and rejected otherwise. As a result, according to the author, a company's decision over the IRR can be summarized as follows:

- a) If $IRR > MARR$ – The investment should be accepted;
- b) If $IRR < MARR$ – The investment should not be accepted.

Apostolakis (2007) expresses one more case, which is called the Do-Nothing Alternative, described below:

- c) If $IRR = MARR$ – The investor will do nothing about the proposed alternatives, meaning that investing the funds on the project or somewhere else with the MARR is indifferent economically wise.

2.1.5 Payback period method

According to Fraser and Jewkes (2013) the simplest way to determine the economic viability of a project is the payback period method. The payback is the number of years it takes for an investment to pay for itself when assuming an interest rate to be zero. The method is a rough measure of the time length for an investment to be recouped. As a result, the project with the shorter payback period is the preferred investment, complements the authors.

The work developed on this study also follows the following statement “the payback period need not, and perhaps should not, be used as the sole criterion for evaluating projects. It is a rough method of comparison and possesses some glaring weaknesses.” (FRASER; JEWKES, 2013, pg. 102). Nevertheless, the authors complement that the payback period method can be used effectively as a preliminary filter.

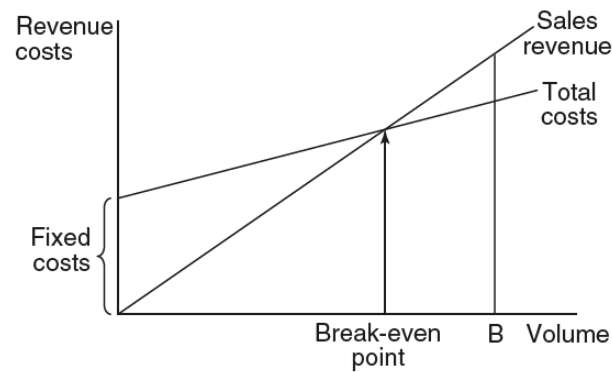
In addition, Ardalan (2012) considers that in contrast to the NPV rule, the cash flows used in this method should be different from the cash flows used in the Payback period. He justifies it by explain that the NPV rule involves discounts such as the the cost of debt and equity. However, the author complements by stating that the Payback period rule does not involve discounts and therefore the cost of debt and equity should not be accounted for in the cash flows.

2.1.6 Breakeven analysis

According to McGee (2014), the breakeven analysis estimates the volume point at which a firm will earn no profits but make no losses on a product, a product line, on a factory, or even across a whole business. The author also states that this analysis is simple because it assumes constant prices and constant unit variable costs.

For Shaban and Al-Zubi (2014), the breakeven point is usually used to describe a Startup that is looking to reach a point of profitability after an initial period of loses supported by investors. The authors defend this method when calculating the volume of sales needed in order to cover total costs. The breakeven point can be demonstrated on the figure 1 below.

Figure 1 - The breakeven



Source: McGee (2014), Breakeven analysis.

2.2 Benchmarking

In order to establish scenarios to better analyse the results obtained with this study, a Benchmarking analysis was done. According to Ehrhardt and Brigham (2011), when analysing ratios, comparisons are involved and this technique is called benchmarking, and the companies used for the comparison are called benchmark companies. For the authors, a company's ratios are compared with those of other firms in the same industry and preferably with industry average figures.

However, for Kelessidis (2000), benchmarking of business processes is usually done with top performing business from other industry sectors. According to the author, this process is feasible once many business processes are essentially the same from sector to sector.

For this work, it was chosen one of the biggest market competitors for the product being launched by the company in analysis.

2.3 Digital Marketing

According to Sawicki (2016), Digital Marketing can be defined as the exploitation of digital technologies used to promote a brand or a product through electronic formats. This allows businesses to achieve goals through more effective fulfillment of the consumer needs by sending personalized contents to potential clients.

Nair (2016), states that the complete scope of digital marketing involves the internet, in which the products and services are positioned and promoted, purchased, distributed and serviced.

One of the methods of digital marketing approached considered for this study is the Social Media Marketing. Should be mentioned that according to Nair (2016) the definition of this method is the consumer generated media in the form of text, visuals and audio that was created to be shared. The author complements, stating that it allows collaboration and connection in a way that no other channel has been able to offer.

Another approach to digital marketing used on this work is the Search Engine Optimization. According to Nair (2016) it is the practice that aims the improvement of a website ranking for specific keywords in the search engines. The ads appear on search engine results pages. It works in a pay per click format in which the advertiser pays when someone clicks on their advertisement.

2.4 Considerations

On this chapter were presented the literature behind the tools that were used for this work and the importance of each one.

For a reliable capital budgeting analysis, it is necessary to analyze different aspects of a business and implement a variation of indexes such as the MARR, IRR and NPV in order to analyze the viability of a business.

On the following chapter, it will be presented the methodology used and the steps taken towards the implementation of the theory presented here.

3 METHODOLOGY

The objective of this chapter is to describe the context, the analysis methodology and the steps from which the author used to develop the solution discussed on this work.

For context purposes, this study was developed by a Brazilian student that started working on the analyzed company during an exchange in Canada in which he attended the University of Waterloo. According to a recent report from the Startup Genome (2019), the region is the second largest technology cluster in North America only behind Silicon Valley.

3.1 Type of Study

To collect all the necessary information to develop this study, a literature review was necessary. According to Cooper and Schindler (2014), a literature review consists of the examination of books, articles in journals or professional literature, research studies, as well as company data, industry reports and Web-published materials that act as a basis for the proposed study. With this methodology, the author of this study was able to apply the theoretical content used in the execution of the project.

In addition, to collect quantitative information and to create the analysis for this study, it was conducted an action research. According to Igwenagu (2016), the research method applied to recommend changes in a process, solve a problem and to determine the effectiveness of changes in a process is the action research.

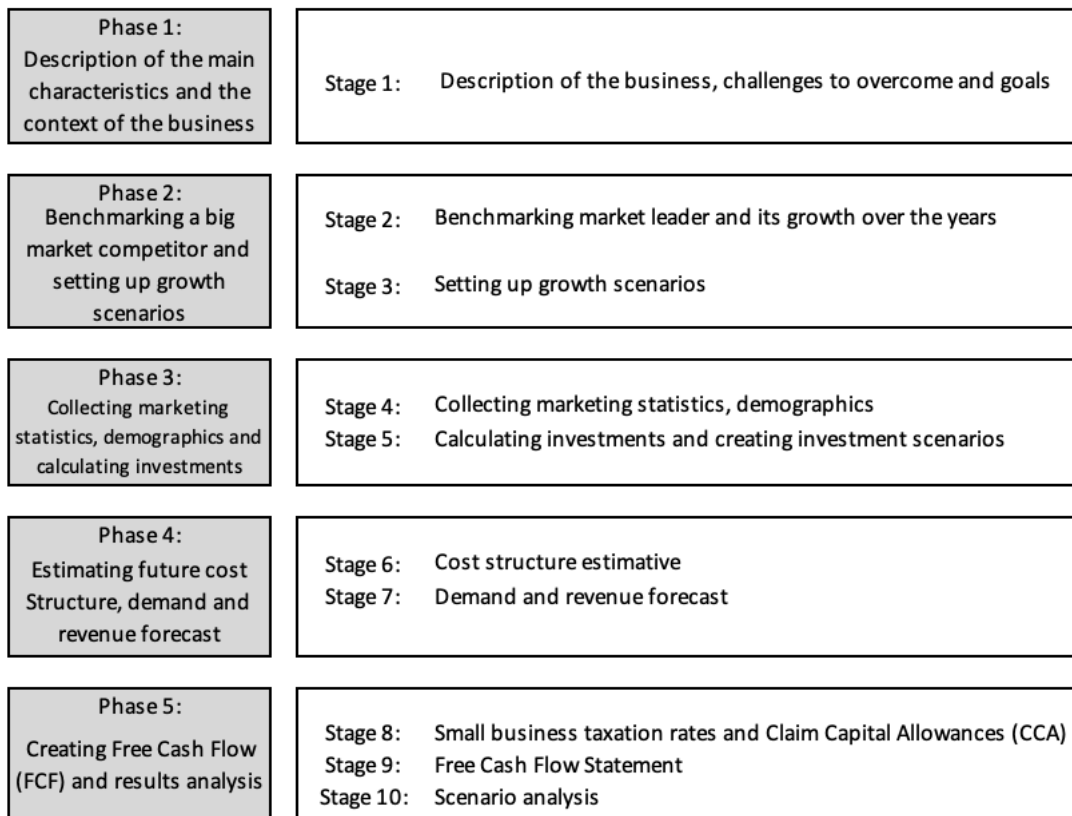
Most of the quantitative information was collected during weekly meetings with the CEO of the spinoff startup. Tripp (2005) argues that from a purely practical perspective, action research works best with co-operation and collaboration because the effects of a single individual's practice in an organisation are never confined to that individual. However, since the company is still on its early stages, some information had to be estimated. But on those cases, the team made sure that the estimations were as close to reality as possible. In addition, many projections and assumptions were adopted during the study. According to Tripp (2005), action researchers often operate deductively, especially in its early stages, since during this phase there might not be any existing explanation or theory that explains what is observed or produced.

As a result, the presented study can be classified both as a literature review and an action research. The research was conducted remotely from the company in study, since it is located in Canada and the researcher is currently in Brazil. There was a total of 4 months of data collection, creating the analysis and the production of this study.

3.2 Phases of the Study

For the execution of the phases, it was necessary to discuss with the board of the company, the necessities of the business and what was wanted to achieve with it. It was discussed the problems currently faced on the market, the competition and how the product should achieve the final consumer. For that, it was found that the businesses needed a capital budgeting analysis that could bring the values needed for the expansion of the business by investments on marketing as well as estimations for funding. This way, the study was divided into 5 phases, described on the figure 2.

Figure 2 - Phases of study



Source: Elaborated by the author (2019).

3.2.1 Phase 1: Description of the main characteristics and the context of the business

During this phase of work, it is described a brief story of the business and its main characteristics. It is also exposed the challenges it has to face in order to grow in a market where big competitors are already established. A description of the main functionalities of the product is also exposed, as well as the differentiation points in which the solution should stand out. With that, it is exposed the motivation of this study and how it should help the business on the decision-making process in the future.

3.2.2 Phase 2: Benchmarking a big market competitor and setting up growth scenarios

For this phase of work, it is described a big competitor that is in place on the market. It is also discussed a brief of its story, some of the milestones achieved by this business and why it was chosen to be benchmarked.

Once the competitor was described, some of the statistics available such as the number of active users and quantity of paid users on the platform was collected. With all this information, it was analyzed its growth rate over the years as well as its conversion from free into paid users during this time. As a result, this phase is concluded by setting up growth scenarios based on the benchmarks obtained, creating 3 scenarios of analysis: Pessimistic, Normal and Optimistic.

3.2.3 Phase 3: Collecting marketing statistics, demographics and investments

During this phase of work, it was gathered some statistical data that was important to obtain important performance indexes. It was found the penetration across the globe on social media and on the search engine market. In addition, it was calculated the total market size for the Startup in analysis based on the market share of the chosen benchmarked competitor.

In possession of the numbers for potential users on each of the social media and search engine platforms, it was obtained the statistics related to average conversion rate and cost per click. Based on these values, it was calculated the cost of acquisition that was then used to calculate the total investment required to acquire all the potential users presented on the chosen platforms.

Once the values were obtained, it was then defined the marketing investment scenarios, where each would correspond to a fraction of the total investment and each scenario would bring the correspondent quantity of users obtained monthly. These scenarios were called the Low, Regular and High scenarios.

3.2.4 Phase 4: Estimating future cost structure, demand and revenue forecast

For this phase of work, it was estimated what the cost structure of the business would be like month by month, over the total period of 36 months. These costs were also categorized in order to be correctly applied into the cash flow statement built further on the study. Based on the scenarios created, during this phase the demand was predicted, by applying the estimations of new users, and the conversion of them into paid consumers of the platform, which was key on obtaining the revenue forecast.

3.2.5 Phase 5: Creating Free Cash Flow (FCF) and results analysis

Ultimately, during this phase of work, it was also discussed how the taxation for small business works in Canada, and its rates. It was also brought during this phase a tax benefit of depreciation over property. Based on the information provided by the Canadian government, it was calculated how the computer hardware and the software licenses that were predicted to be acquired over time will depreciate.

Once this stage was completed, the FCF statement was built by then considering the costs, demand and revenue estimations. Since it was created 3 different growth scenarios and an additional 3 marketing investment scenarios, the analysis resulted into 9 different results.

It was also provided a visual representation of the results with graphs and charts, explaining which scenarios the FCF statement were positive and the ones that were not. In addition, it was also provided information such as the Payback and Breakeven periods, business Valuation, Internal Return Rate, Funding needs and the percentage that could be offered for potential investors.

3.3 Considerations

This chapter described briefly what was done during the research and the kind of results that were obtained. During the next chapter, all the phases will be explained with detail, with the breakdown of all the stages as well.

4 METHOD APPLICATION AND RESULTS

This chapter describes the application of the methods approached by the research as described on the previous chapters. It presents the phases of the work, how the data was managed and applied, all steps during the process as well as the results obtained for the capital budgeting analysis projected for 36 months. It is important to mention that for all the monetary values presented here, the currency used is American Dollars (USD).

Furthermore, the complete analysis for all the scenarios, breakeven graphics, cash flow graphics, the complete FCF statement and more are presented on the Appendixes of this paper.

4.1 Phase 1: Description of the main characteristics and the context of the business

The startup analyzed on this work is a spinoff of another software company already well established on its market. The challenge this time, is to launch a different product, and succeed in different field where other competitors like Slack, Microsoft and Facebook are already established. The product currently under the final stages of development is a platform for teams to communicate, share and save files and schedule meetings and routine activities.

The startup is currently differentiating its product from its competitors by integrating new features and modules, like the file storage and calendar. However, the big step-up of the product will be on its complete privacy to its users on all modules, by providing 100% no knowledge encryption, which means that the encrypted files cannot be accessed by the developer. Most of the encryption used nowadays can still be decrypted and the information can be accessed by the provider and even shared among their trusted third parties.

In times where big tech giants like Facebook, are constantly facing privacy issues, having a completely different approach when dealing with user privacy can be an important factor of differentiation for the company.

Currently, the startup has users spreaded in Canada, US and Brazil. In order to take action and grow, this study took place to provide a valuable information into marketing investments, and how it can impact on its performance, turning the startup into a viable business or not.

4.2 Phase 2: Benchmarking market leader and setting up growth scenarios

During the phase 2, it was first analyzed the market leader and how it grew over the years. This was extremely important in order to obtain its average grow rate and the conversion of free to paid users. This benchmark was key on stablishing the growth scenarios that will be used during the Phase 4, when forecasting the demand.

4.2.1 Benchmarking a big market competitor and setting up growth scenarios

On the enterprise messaging market there are a variety of different competitors. When businesses decide on a platform for communication, they can choose from instant messaging apps like WhatsApp or mainstream solutions like e-mail. However, when it comes to a proper platform, carefully designed for team communication, with specific features for that matter, there is one platform that stands out, which is an enterprise chat called Slack.

A former co-founder of the renowned photo-sharing platform Flickr, Stewart Butterfield founded Slack in 2009. The company was initially developing a video game, however, the company decided to completely change their direction, and pivoted, says Shah (2018). According to the author, the company decided to produce an enterprise messenger, rereleased in 2013. The company rapidly grew and nowadays is an Unicorn, a company valued in more than \$1 billion dollars.

With the success story of Slack, it was decided that it should be evaluated for a benchmark of its growth performance and its conversion to paid users. This was also important to stablish goals and growth scenarios that will be discussed further down on this chapter. So far it has grown its user base to a total of 10 million users and owns 8.83% of the market according to Datanyze (2019). As a result, by applying this values, the market size was calculated, shown on the Chart 2 below.

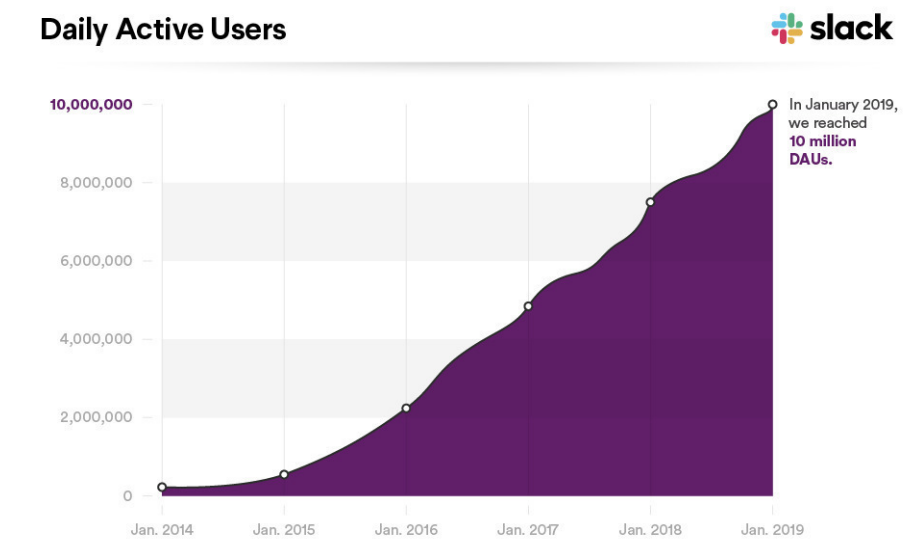
Chart 2 - Market Size

Market Size	
Slack's Market Share	8.83%
Slack's Active Users	10,000,000
Market Size	113,250,283

Source: Elaborated by the author (2019).

The figure 3 shows the growth on 6 different periods. However, to obtain a closer analysis, the data presented by Slack (2019) on the graph was complemented with information provided by Dunn (2016) and Richter (2019). The data was inputted on the Chart 3, which gathers the numbers of active users and paid users for a total of 15 periods.

Figure 3 - Slacks growth over the years



Source: Slack (2019).

It's important to notice that the information gathered contains different gaps of time. This way, the first column of the chart below presents how many periods are there between the lines. By making the periods uniform, the Monthly Growth Rate and the Monthly Conversion Rate were calculated.

Chart 3 - Slack's growth and conversion rates

Periods in between	Period	# of Active Users	# of Paid Users	Monthly Growth Rate	Monthly Conversion Rate
0	Feb-14	17,000	-	0%	0%
5	Jul-14	140,000	40,000	147%	29%
3	Oct-14	268,000	73,000	30%	27%
3	Jan-15	365,000	133,225	12%	37%
1	Feb-15	500,000	135,000	36%	27%
2	Apr-15	750,000	200,000	26%	27%
3	Jul-15	1,100,000	300,000	16%	27%
3	Oct-15	1,700,000	470,000	18%	28%
3	Jan-16	2,000,000	570,000	6%	29%
1	Feb-16	2,300,000	675,000	15%	29%
2	Apr-16	2,700,000	800,000	9%	30%
6	Oct-16	4,000,000	1,200,000	8%	30%
11	Sep-17	6,000,000	1,800,000	5%	30%
8	May-18	8,000,000	3,040,000	4%	38%
8	Jan-19	10,000,000	3,800,000	3%	38%

Source: Elaborated by the author (2019).

As a result, the Average Monthly Growth Rate and the Average Monthly Conversion Rate were found by calculating the growth between one range and the following, considering the numbers of periods in between. As a result, the following rates presented on the Chart 4 were obtained:

Chart 4 - Slack's average growth and conversion rates

Averages Obtained		
1	Avg Monthly Growth Rate	22%
2	Avg Monthly Conversion R	28%

Source: Elaborated by the author (2019).

4.2.2 *Setting up growth scenarios*

Once calculated the growth benchmarks, it was established scenarios for the Startup analyzed on this work. During team discussions it was decided that 3 growth scenarios would be created, and they would correspond to 20%, 40% and 60% of the rates already established by Slack.

As a result, our growth scenarios called respectively as Pessimistic, Normal and Optimistic, were calculated by the product from the rates established and Slack's averages calculated during the benchmark. The results are presented on the Chart 5 below.

Chart 5 - Growth scenarios established

GROWTH		Scenarios Based on Marketing Investments		
Initial users	50	PESSIMISTIC	NORMAL	OTIMISTIC
Benchmarking from Slack		20%	40%	60%
Monthly Avg Growth Rate	22%	4.5%	8.9%	13.4%
Monthly Avg Conversion Rate	28%	5.7%	11.3%	17.0%

Source: Elaborated by the author (2019).

These scenarios were extremely important for the demand forecast, with direct impact on the revenue forecast that, on the other hand, has direct impact on the financial analyzes.

4.3 Phase 3: Collecting digital marketing statistics, demographics and calculating investments

For this phase of the work, it was collected a few key demographics that were used to calculate our potential market size by investing on digital marketing, which, for this work, includes Search Engines (Google and Bing) and Social Media Platforms that showed better performance results when comes to B2B (LinkedIn, Facebook and Twitter).

4.3.1 Collecting digital marketing statistics, demographics

It was collected statistical data from social platforms and search engines, that were used for the calculations needed. According to Kemp (2019) the global population in 2019 was around 7.6 billion people. The author also mentions that the Social Media has a penetration of 45%, reaching almost 3.5 billion active users. The gathered information is shown on the Chart 6.

Chart 6 - Demographic information used

Demographics	
World Population	7,676,555,555
Slack's Active Users	10,000,000
Slack's Market Share	8.83%
Market Size	113,250,283
Market Size %	1.48%

Source: Elaborated by the author (2019).

Based on these considerations, the market size calculated on the topic 4.2.1, corresponds to 1.48% of the world population. Applying this percentage to the social media population of active users, it was found that 1% are potential consumers of our platform. Therefore, it was calculated that, on social media, there are about 51 million potential users as shown on the Chart 7.

Chart 7 - Social Media demographics

Demographics for Social Media	
Social Media Penetration	45%
Social Media Population	3,454,450,000
Potential Users on Social Media	50,962,627

Source: Elaborated by the author (2019).

Following the same logic, the estimation of potential users that are not on social media but are users of search engines was calculated. According to Statista (2019) Google in January of 2019 owned 89.95% of the market while Bing had 3.99%. The remaining amount of 6.06% is part of other platforms that were not considered for this research. As shown on the Chart 8 below, the potential number of users on search engines is around 13.6 million users.

Chart 8 - Search Engines demographics

Demographics for Search Engines	
Internet Users Penetration	57%
Internet Users Population	4,375,636,666
Search Engine Users not on Social M.	921,186,667
Potential Users on Search Engines	13,590,034

Source: Elaborated by the author (2019).

4.3.2 Calculating investments and creating digital marketing investment scenarios

Once reaching the number of potential users, it was necessary to calculate the amount of investment needed to convert potential consumers into actual users. According to Kemp (2019), LinkedIn has an advertising reach of over 604.4 million users while Facebook and Twitter have 2.1 billion and 251 million, corresponding to a penetration of 17%, 61% and 7% respectively. Knowing that our niche size is 1% of the population, we can find our potential users on each of these social platforms.

However, not all of the users will use or product just by seeing the advertisement. According to Patel (2019), when comes to B2B, LinkedIn leads the conversions rates, reaching 80.33% while Twitter has 12.73%. On average, according to Irvine (2019), Facebook converts 10.63% of their audience on the B2B market. In addition to that, due to the rapid changes with digital trends, it was established a safety margin of 60% for social media and 50% for the search engines. As a result, the statistics used are discounted so that the amount considered corresponds respectively to only 40% and 50% of the averages provided by Patel (2019).

Applying this factor, it was obtained approximately 2.8 million potential users on LinkedIn, 1.3 million on Facebook and 188.5 thousand on Twitter. However, to acquire these users, each platform has an average Cost Per Click (CPC). According to WebFX (2019) LinkedIn has an average CPC of \$5.26 and \$ 0.38 for Twitter. Irvine (2019) estates that Facebook average CPC for the B2B market is \$2.52.

However, to acquire the potential users the CPC was used to calculate the Cost per Action (CPA) which is the average cost to acquire a user that clicked on an advertisement. The CPA was calculated based on both clicks by users that were converted and from the ones that were not. With these factors considered, the total costs to acquire all the potential users on these social media platforms was approximately \$32 million. The values are presented on the Chart 9.

Chart 9 - Calculation of social media investments

Social Media Investment			
Social Media	Linkedin	Facebook	Twitter
Penetration %	17%	61%	7%
Advertising Reach	604,390,000	2,121,000,000	251,000,000
On Niche	8,916,413	31,290,577	3,702,940
Conv Rate	80.33%	10.63%	12.73%
Safety Margin	60%	60%	60%
Safe Conv Rate	32.13%	4.25%	5.1%
Potential users	2,865,022	1,330,475	188,554
CPC \$	5.26 \$	2.52 \$	0.38
CPA \$	8.83 \$	4.93 \$	0.74
Investment	\$ 25,297,732.03	\$ 6,563,034.66	\$ 139,652.36
Total Investment	\$ 32,000,419.05		

Source: Elaborated by the author (2019).

The same logic was applied to the Search Engine platforms. Reaching a total of approximately \$536 thousand to acquire the potential users presented on the platforms chosen: Google and Bing. The values used are presented on the Chart 10.

Chart 10 - Calculation of Search Engine Investment

SEO Investment			
Platform	Google		Bing
	Google Ads	Google Banner Ads	
Penetration %	90%	90%	4%
Advertising Reach	414,303,703.30	414,303,703	36,755,348
On Niche	6,112,118	6,112,118	542,242
Conv Rate	3.04%	0.80%	2.64%
Safety Margin	50%	50%	50%
Safe Conv Rate	1.52%	0.40%	1.32%
Potential users	92,904	24,448	7,158
CPC \$	\$ 3.33	\$ 0.79	\$ 1.16
CPA \$	\$ 6.62	\$ 1.58	\$ 2.31
Investment	\$ 491,983.97	\$ 30,853.42	\$ 13,214.36
Total Investment	\$ 536,051.75		

Source: Elaborated by the author (2019).

It is important to point out that for Google it was found 2 different conversion rates and CPC's. The difference is part of different services provided: Google Ads and Google Banner Ads. The first one is the method used to display a website on the top of the search results pages based on keywords chosen by the advertiser. While Google Banner Ads works

by displaying visual content on websites throughout the world wide web. According to Gabbert (2018), for B2B Google Ads has an average conversion rate of 3.04% while Google Banner Ads is 0.8%. The author also states that these platforms have an average CPC of \$3.33 and \$0.79 respectively. For Irvine (2018), Bing has an average CPC of \$1.16 while its conversion rate is 2.64%. As a result, the total investment required to acquire our potential users on social media and on search engines is approximately of \$32.5 million as shown on the Chart 11.

Chart 11 - Total investment needed on digital marketing

Total Investment needed	
Social Media	\$ 32,000,419.05
Search Engines	\$ 536,051.75
Total	\$ 32,536,470.80

Source: Elaborated by the author (2019).

Since the investment required to acquire the potential users from these platforms is considerably high, it was established 3 scenarios of monthly investments on digital marketing. They are the Low Scenario that corresponds to an investment of 0.025%, Regular Scenario with an investment of 0.05% and High Scenario, investing 0.1%. The Chart 12 summarizes the information provided above.

Chart 12 - Digital Marketing investment scenarios

Scenario	Investment %	Investment/month	Users/month
LOW SCENARIO	0.025%	\$ 8,134.12	1,972
REGULAR SCENARIO	0.05%	\$ 16,268.24	3,943
HIGH SCENARIO	0.10%	\$ 32,536.47	7,887

Source: Elaborated by the author (2019).

4.4 Phase 4: Estimating future cost structure, demand and revenue forecast

After predicting what should be the marketing investments, an estimation of all other costs was made considering the growth of the company. With the use of the benchmarks

and the marketing investment scenarios, the demand and revenue forecast were also calculated.

4.4.1 Cost structure estimative

During the phases of interviews with the board of the company, it was estimated the future costs over 36 months of operations considered for the analysis. The expenses considered were administrative, infrastructure, equipment acquisition and human resources. To that total it was added the investment on digital marketing. On the Chart 13 it is possible to analyze the sum of the total expenses over each month and the percental change from one year to another. For demonstration purposes, the total yearly cost for digital marketing is approximately \$390 thousands and corresponds to the investment from the high scenario, \$32,536.47 times 12 periods.

Chart 13 - Total costs year by year

	Cost Description	Total	% change
Cost Structure Year 1	Administrative	\$ 56,400.00	n.a
	Infrastructure	\$ 69,600.00	n.a
	Equipment Acquisition	\$ 90,000.01	n.a
	Digital Marketing	\$ 390,437.65	n.a
	Human Resources	\$ 449,999.72	n.a
	Total	\$ 1,056,437.38	n.a
Cost Structure Year 2	Administrative	\$ 114,000.00	102%
	Infrastructure	\$ 120,000.00	72%
	Equipment Acquisition	\$ 185,000.03	106%
	Digital Marketing	\$ 390,437.65	0%
	Human Resources	\$ 569,999.72	27%
	Total	\$ 1,379,437.40	31%
Cost Structure Year 3	Administrative	\$ 230,400.00	102%
	Infrastructure	\$ 194,400.00	62%
	Equipment Acquisition	\$ 340,000.02	84%
	Digital Marketing	\$ 390,437.65	0%
	Human Resources	\$ 1,509,999.80	165%
	Total	\$ 2,665,237.47	93%

Source: Elaborated by the author (2019).

As a result, there is an incremental 31% on the total costs from year 1 to year 2, and another increment of 93% from the second year to the third. On both cases, these increments are above the 2% yearly inflation rate in Canada, according to Statista (2019). The

administrative costs are related to expenses like rent, accounting and municipal taxes. Infrastructure costs on the other hand are related to internet, telephone, water, electricity and maintenance. The equipment's considered to be bought over the years are development licenses and computer hardware such as printers, computers, servers and others. The monthly cost estimations are presented on the Charts 14, 15 and 16. The detailed estimations for the regular and low marketing investment scenarios are presented on the Appendix A of this work.

Chart 14 – Cost estimations for year 1 on high marketing investment scenario

YEAR 1	Factor	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	TOTAL YEAR 1
ADMINISTRATIVE	1.3	\$ 4,700.00	\$ 4,700.00	\$ 4,700.00	\$ 4,700.00	\$ 4,700.00	\$ 4,700.00	\$ 4,700.00	\$ 4,700.00	\$ 4,700.00	\$ 4,700.00	\$ 4,700.00	\$ 4,700.00	\$ 56,400.00
Rent	0.2	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 48,000.00
Accounting	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal & Other Taxes	0.1	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 700.00	\$ 8,400.00
INFRASTRUCTURE	0.4	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 5,800.00	\$ 69,600.00
Internet	0.1	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,000.00	\$ 48,000.00
Telephone	0.1	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 12,000.00
Water & Electricity and Maintenance	0.2	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 800.00	\$ 9,600.00
EQUIPMENT ACQUISITION	0.3	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 7,500.00	\$ 90,000.01
Development Licenses	0.1	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 1,666.67	\$ 20,000.00
Computer Hardware	0.2	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 5,833.33	\$ 70,000.01
DIGITAL MARKETING	0.002	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 390,437.65
Social Media	0.0010	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 384,005.03
SEO	0.0010	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 6,432.62
HUMAN RESOURCES	6.2	\$ 37,500.01	\$ 37,500.01	\$ 37,500.01	\$ 37,500.01	\$ 37,500.01	\$ 37,500.01	\$ 37,500.01	\$ 37,500.01	\$ 37,500.01	\$ 37,500.01	\$ 37,500.01	\$ 37,500.01	\$ 449,999.72
1. Business Operations														
Chief Executive Officer (CEO)	0.2	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 30,000.00
Chief Technology Officer (CTO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chief Marketing Officer (CMO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chief Financial Officer (CFO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Executive Assistant	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receptionist	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Customer Experience														
Customer Experience Manager	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Support Agent	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Manual QA Tester - Mobile	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Manual QA Tester – Desktop	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Technical Writer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Engineering														
Android Engineer / Developer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
iOS Engineer / Developer	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
UI Designer	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
UX Designer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web App Coders - Python	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
4. Finance														
Bookkeeper	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
5. IT														
DevOps + Cloud Operator	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
6. Legal & Policy														
Legal Compliance Officer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7. Marketing														
Social Media Marketing Manager	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing Data Coordinator	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8. Human Resources Operations														
Executive Recruiter	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9. Product Management														
Product Manager Mobile App	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Product Manager – Web Platform	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10. Sales														
Sales Agents	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Security														
Product Security Engineer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Security Operations Engineer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL		\$ 88,036.48	\$ 88,036.48	\$ 88,036.48	\$ 88,036.48	\$ 88,036.48	\$ 88,036.48	\$ 88,036.48	\$ 88,036.48	\$ 88,036.48	\$ 88,036.48	\$ 88,036.48	\$ 88,036.48	\$ 1,056,437.38

Source: Elaborated by the author (2019).

Chart 15 – Cost estimations for year 2 on high marketing investment scenario

YEAR 2	Factor	MONTH 13	MONTH 14	MONTH 15	MONTH 16	MONTH 17	MONTH 18	MONTH 19	MONTH 20	MONTH 21	MONTH 22	MONTH 23	MONTH 24	TOTAL YEAR 2
ADMINISTRATIVE	1.8	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 114,000.00
Rent	0.3	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 72,000.00
Accounting	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal & Other Taxes	0.5	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 42,000.00
INFRASTRUCTURE	0.85	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 120,000.00
Internet	0.15	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 72,000.00
Telephone	0.2	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 24,000.00
Water & Electricity and Maintenance	0.5	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 24,000.00
EQUIPMENT ACQUISITION	0.7	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 185,000.03
Development Licenses	0.4	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.02
Computer Hardware	0.3	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 105,000.01
DIGITAL MARKETING	0.002	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 390,437.65
Social Media	0.0010	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 384,005.03
SEO	0.0010	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 6,432.62
HUMAN RESOURCES	7	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 569,999.72
1. Business Operations														
Chief Executive Officer (CEO)	1	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 150,000.00
Chief Technology Officer (CTO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chief Marketing Officer (CMO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chief Financial Officer (CFO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Executive Assistant	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receptionist	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Customer Experience														
Customer Experience Manager	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Support Agent	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Manual QA Tester - Mobile	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Manual QA Tester – Desktop	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Technical Writer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Engineering														
Android Engineer / Developer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
iOS Engineer / Developer	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
UI Designer	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
UX Designer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web App Coders - Python	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
4. Finance														
Bookkeeper	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
5. IT														
DevOps + Cloud Operator	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
6. Legal & Policy														
Legal Compliance Officer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7. Marketing														
Social Media Marketing Manager	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing Data Coordinator	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8. Human Resources Operations														
Executive Recruiter	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9. Product Management														
Product Manager Mobile App	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Product Manager – Web Platform	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10. Sales														
Sales Agents	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Security														
Product Security Engineer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Security Operations Engineer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL		\$ 114,953.15	\$ 114,953.15	\$ 114,953.15	\$ 114,953.15	\$ 114,953.15	\$ 114,953.15	\$ 114,953.15	\$ 114,953.15	\$ 114,953.15	\$ 114,953.15	\$ 114,953.15	\$ 114,953.15	\$ 1,379,437.40

Source: Elaborated by the author (2019).

Chart 16 – Cost estimations for year 3 on high marketing investment scenario

YEAR 3	Factor	MONTH 25	MONTH 26	MONTH 27	MONTH 28	MONTH 29	MONTH 30	MONTH 31	MONTH 32	MONTH 33	MONTH 34	MONTH 35	MONTH 36	TOTAL YEAR 3
ADMINISTRATIVE	2.1	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 230,400.00
Rent	0.5	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 120,000.00
Accounting	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Municipal & Other Taxes	0.6	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 50,400.00
INFRASTRUCTURE	1.5	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 194,400.00
Internet	0.2	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 96,000.00
Telephone	0.5	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Water & Electricity and Maintenance	0.8	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 38,400.00
EQUIPMENT ACQUISITION	0.9	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 340,000.02
Development Licenses	0.5	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 200,000.00
Computer Hardware	0.4	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 140,000.02
DIGITAL MARKETING	0.002	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 32,536.47	\$ 390,437.65
Social Media	0.0010	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 32,000.42	\$ 384,005.03
SEO	0.0010	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 536.05	\$ 6,432.62
HUMAN RESOURCES	20	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 1,509,999.80
1. Business Operations														
Chief Executive Officer (CEO)	0.5	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
Chief Technology Officer (CTO)	0.5	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
Chief Marketing Officer (CMO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chief Financial Officer (CFO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Executive Assistant	1	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 50,000.10
Receptionist	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Customer Experience														
Customer Experience Manager	1	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 100,000.00
Customer Support Agent	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Manual QA Tester - Mobile	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Manual QA Tester - Desktop	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Technical Writer	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
3. Engineering														
Android Engineer / Developer	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
iOS Engineer / Developer	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
UI Designer	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
UX Designer	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Web App Coders - Python	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
4. Finance														
Bookkeeper	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
5. IT														
DevOps + Cloud Operator	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
6. Legal & Policy														
Legal Compliance Officer	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
7. Marketing														
Social Media Marketing Manager	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
Marketing Data Coordinator	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
8. Human Resources Operations														
Executive Recruiter	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
9. Product Management														
Product Manager Mobile App	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
Product Manager – Web Platform	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
10. Sales														
Sales Agents	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Security														
Product Security Engineer	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
Security Operations Engineer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL		\$ 213,769.82	\$ 213,769.82	\$ 213,769.82	\$ 213,769.82	\$ 213,769.82	\$ 213,769.82	\$ 213,769.82	\$ 213,769.82	\$ 213,769.82	\$ 213,769.82	\$ 213,769.82	\$ 213,769.82	\$ 2,665,237.47

Source: Elaborated by the author (2019).

4.4.2 Demand and revenue forecast

For the demand forecast, the use of the benchmarks and marketing scenarios was extremely important. It was first established, from the userbase already in place, that the initial users for the preoperational stage, which is the month prior to the launch, is of 50 users.

During this phase, the costs will already be in place, including the marketing investments. However, the results will most likely take a complete month to take place. This way, depending on the scenario of investment chosen, the number of users for the first month will depend on that. From the months that succeed, the investment will follow the same logic, but will also be affected by the organic growth rate established by the scenarios based on the benchmark. These scenarios are the rate in which the business will grow organically and by the word of mouth.

In order to obtain the revenue forecast, it was considered the conversion rate based on the benchmarks scenarios and the pricing. There will be the free version for the general users and a premium version costing \$5.00. As a result, the revenue values were obtained by considering the benchmarked conversion rate from total users into paid users according to the scenario chosen and the organic growth in which the business would grow by the word of mouth. The business would also obtain new users each period by the investments on digital marketing according to the scenario of investment considered.

For demonstration purposes, the Chart 17 presents the summary for the demand and revenue forecast for the 3 years of analysis, using a high marketing investment and a normal growth scenario. The detailed forecast is presented on the Chart 18. The estimations for the other scenario's combinations are found on Appendix B.

Chart 17 - Demand and revenue forecast

Demand and Revenue Forecast				
	Month 0	Year 1	Year 2	Year 3
Monthly Users Obtained	50	158,143	441,196	1,230,874
Acumulated # Users	50	158,193	599,388	1,830,262
Monthly Converted Users	0	17,896	49,929	139,294
Acumulated # of PAID Users	0	17,896	67,825	207,119
Revenue Forecast	\$ -	\$ 492,035.07	\$ 2,446,494.75	\$ 7,899,162.36

Source: Elaborated by the author (2019).

Chart 18 - Demand and revenue forecast on high marketing investment scenario and normal growth scenario

YEAR 1	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	TOTAL YEAR 1
Monthly Users Obtained	7,887	8,591	9,357	10,193	11,102	12,093	13,173	14,349	15,630	17,025	18,544	20,200	158,143
Acumulated # Users	7,937	16,527	25,885	36,077	47,180	59,273	72,446	86,795	102,424	119,449	137,993	158,193	
Monthly Converted Users	892	972	1,059	1,153	1,256	1,369	1,491	1,624	1,769	1,927	2,099	2,286	17,896
Acumulated # of PAID Users	892	1,865	2,924	4,077	5,333	6,702	8,193	9,817	11,585	13,512	15,611	17,896	
Revenue Forecast	\$ 4,462.50	\$ 9,323.33	\$ 14,618.03	\$ 20,385.35	\$ 26,667.46	\$ 33,510.32	\$ 40,963.98	\$ 49,082.95	\$ 57,926.63	\$ 67,559.71	\$ 78,052.64	\$ 89,482.18	\$ 492,035.07

YEAR 2	MONTH 13	MONTH 14	MONTH 15	MONTH 16	MONTH 17	MONTH 18	MONTH 19	MONTH 20	MONTH 21	MONTH 22	MONTH 23	MONTH 24	TOTAL YEAR 2
Monthly Users Obtained	22,003	23,967	26,106	28,436	30,974	33,739	36,751	40,031	43,604	47,496	51,736	56,354	441,196
Acumulated # Users	180,195	204,162	230,267	258,703	289,678	323,417	360,167	400,198	443,802	491,299	543,034	599,388	
Monthly Converted Users	2,490	2,712	2,954	3,218	3,505	3,818	4,159	4,530	4,935	5,375	5,855	6,377	49,929
Acumulated # of PAID Users	20,386	23,099	26,053	29,271	32,776	36,594	40,753	45,283	50,218	55,593	61,448	67,825	
Revenue Forecast	\$ 101,931.92	\$ 115,492.94	\$ 130,264.43	\$ 146,354.43	\$ 163,880.64	\$ 182,971.25	\$ 203,765.91	\$ 226,416.71	\$ 251,089.33	\$ 277,964.26	\$ 307,238.06	\$ 339,124.86	\$ 2,446,494.75

YEAR 3	MONTH 25	MONTH 26	MONTH 27	MONTH 28	MONTH 29	MONTH 30	MONTH 31	MONTH 32	MONTH 33	MONTH 34	MONTH 35	MONTH 36	TOTAL YEAR 3
Monthly Users Obtained	61,384	66,863	72,831	79,332	86,414	94,127	102,529	111,681	121,649	132,508	144,336	157,219	1,230,874
Acumulated # Users	660,772	727,635	800,467	879,799	966,213	1,060,340	1,162,869	1,274,550	1,396,199	1,528,707	1,673,043	1,830,262	
Monthly Converted Users	6,947	7,567	8,242	8,978	9,779	10,652	11,603	12,639	13,767	14,995	16,334	17,792	139,294
Acumulated # of PAID Users	74,772	82,338	90,580	99,558	109,337	119,989	131,592	144,231	157,997	172,993	189,327	207,119	
Revenue Forecast	\$ 373,857.90	\$ 411,691.25	\$ 452,901.62	\$ 497,790.46	\$ 546,686.12	\$ 599,946.24	\$ 657,960.39	\$ 721,152.94	\$ 789,986.10	\$ 864,963.36	\$ 946,633.15	\$ 1,035,592.84	\$ 7,899,162.36

Source: Elaborated by the author (2019).

4.5 Phase 5: Creating Free Cash Flow (FCF) and results analysis

With all the gathered data, it was created a FCF statement to analyze the performance of the business, its financial and economic viability and valuation. It was also necessary to analyze the taxation regimes applied to the Startup and depreciation methods.

4.5.1 *Small business taxation rates and Claim Capital Allowances (CCA)*

According to the Government of Canada (2019) “Canadian-controlled private corporations claiming the small business deduction, the net tax rate is 9% effective January 1, 2019”. In addition to that, it is also charged the provincial or territories rates. According to the source, generally, provinces and territories have 2 different income taxes, the lower and the higher rate. However, the Startup analyzed on this work is based in Ontario, a province with a basic income tax rate of 11.5%. As a result, the total of taxes considered for this study was 20.5% as shown on the Chart 19.

Chart 19 - Federal and provincial taxation in Canada

(-) Taxation	
Total	20.5%
Federal Rate	9.0%
Provincial Rate	11.5%

Source: Elaborated by the author (2019).

Canada also provides a tax benefit called the Claim Capital Allowance, which is the yearly deduction rate in which a property wears out or become obsolete over time, stated by the Government of Canada (2019). The source also states that a business can acquire a depreciable property such as a building, furniture, or equipment to be used for business activities. It is also important to notice that when considering the CCA, when formulating a FCF statement, a business cannot deduct the full cost of depreciable property for the year in which the property was acquired.

Since the company in analysis is a technology Startup, there will be considered the depreciation of general-purpose electronic data-processing equipment and systems software for that equipment. These equipment's are defined as CCA class 50. According to

the Government of Canada (2019), “Include in Class 50 with a CCA rate of 55% property acquired after March 18, 2007, that is general-purpose electronic data processing equipment and systems software for that equipment, including ancillary data processing equipment.”

For the calculations, it was considered that the CCA rate adopted by the Canadian government uses the Declining Balance Method. It is worth considering the definition of this method by Fraser and Jewkes (2013). According to the authors, this method models the loss in value of an asset over a period as a constant fraction of the asset’s current value. The depreciation charge in a particular period is a constant proportion of its closing book value from the previous period.

In other words, it was considered that an equipment bought on the year one, will have depreciated 55% of its value. For the year two, the same equipment will be depreciated the same proportion, but from its value by the end of year one. The values found were then reduced from the gross profit, prior to taxation, therefore, behaving as a discount to the income taxes. Since the value is not actually withdrawn from the company’s cashflow, it is added back to the net income, the addition equals to the Cash Flow from Operations.

4.5.2 Free Cash Flow Statement

Considering all the cost estimations presented, demand and revenue forecast that were calculated as well as the depreciation and taxes, a Free Cash Flow was done. For the cost of revenue, it was considered the charges from an online payment platform currently used. The values charged are presented on the Chart 20.

Chart 20 - Fixed and variable costs of revenue

(-) Cost of Revenue	
Website Purchase Charge	\$ 0.30
Website Purchase tax	2.9%

Source: Elaborated by the author (2019).

The complete FCF Statement month by month are presented on the Charts 21, 22 and 23 below, applying a high investment on marketing and normal growth scenario.

Chart 21 – Free Cash Flow statement for year 1

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT													
HIGH SCENARIO															
GROWTH RATE		Preoperational Stage (Month 0)	YEAR 1												Total Year 1
NORMAL GROWTH			Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Market %	0.0%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	0.02%	0.02%	0.02%	0.14%
Market Growth	0	0	8%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	683%
# of active users	50	7,937	8,591	9,357	10,193	11,102	12,093	13,173	14,349	15,630	17,025	18,544	20,200	158,193	
Revenue	\$ -	\$ 4,462.50	\$ 9,323.33	\$ 14,618.03	\$ 20,385.35	\$ 26,667.46	\$ 33,510.32	\$ 40,963.98	\$ 49,082.95	\$ 57,926.63	\$ 67,559.71	\$ 78,052.64	\$ 89,482.18	\$ 492,035.07	
- Cost of Revenue	\$ -	\$ (397.16)	\$ (829.78)	\$ (1,301.00)	\$ (1,814.30)	\$ (2,373.40)	\$ (2,982.42)	\$ (3,645.79)	\$ (4,368.38)	\$ (5,155.47)	\$ (6,012.81)	\$ (6,946.68)	\$ (7,963.91)	\$ (43,791.12)	
= Gross Profit	\$ -	\$ 4,065.34	\$ 8,493.55	\$ 13,317.03	\$ 18,571.05	\$ 24,294.06	\$ 30,527.90	\$ 37,318.18	\$ 44,714.57	\$ 52,771.16	\$ 61,546.89	\$ 71,105.95	\$ 81,518.26	\$ 448,243.95	
- Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
- SG&A	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (966,437.77)
Administrative Expenses	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (56,400.00)
Infrastructure Expenses	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (69,600.00)
Marketing Expenses	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (390,437.65)
Human Resources	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (450,000.12)
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Earnings Before Tax	\$ (80,536.48)	\$ (76,471.14)	\$ (72,042.93)	\$ (67,219.45)	\$ (61,965.43)	\$ (56,242.42)	\$ (50,008.58)	\$ (43,218.30)	\$ (35,821.91)	\$ (27,765.32)	\$ (18,989.59)	\$ (9,430.53)	\$ 981.78	\$ (518,193.82)	
- Tax (20.5%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (201.27)	\$ (201.27)	
= Net Income	\$ (80,536.48)	\$ (76,471.14)	\$ (72,042.93)	\$ (67,219.45)	\$ (61,965.43)	\$ (56,242.42)	\$ (50,008.58)	\$ (43,218.30)	\$ (35,821.91)	\$ (27,765.32)	\$ (18,989.59)	\$ (9,430.53)	\$ 780.52	\$ (518,395.09)	
+ Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Cash Flow from Operations	\$ (80,536.48)	\$ (76,471.14)	\$ (72,042.93)	\$ (67,219.45)	\$ (61,965.43)	\$ (56,242.42)	\$ (50,008.58)	\$ (43,218.30)	\$ (35,821.91)	\$ (27,765.32)	\$ (18,989.59)	\$ (9,430.53)	\$ 780.52	\$ (518,395.09)	
- Acquisition of New equipment PP&E	\$ -	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (90,000.01)	
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Free Cash Flow	\$ (80,536.48)	\$ (83,971.14)	\$ (79,542.93)	\$ (74,719.45)	\$ (69,465.43)	\$ (63,742.42)	\$ (57,508.58)	\$ (50,718.30)	\$ (43,321.91)	\$ (35,265.32)	\$ (26,489.59)	\$ (16,930.53)	\$ (6,719.48)	\$ (608,395.10)	
Acumulated FCF	\$ (80,536.48)	\$ (164,507.63)	\$ (244,050.56)	\$ (318,770.01)	\$ (388,235.44)	\$ (451,977.86)	\$ (509,486.45)	\$ (560,204.75)	\$ (603,526.66)	\$ (638,791.98)	\$ (665,281.57)	\$ (682,212.10)	\$ (688,931.58)		

Source: Elaborated by the author (2019).

Chart 22 – Free Cash Flow statement for year 2

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
HIGH SCENARIO		YEAR 2												
GROWTH RATE		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Total Year 2
NORMAL GROWTH		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Total Year 2
Market %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.4%
Market Growth	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	107%
# of active users	22,003	23,967	26,106	28,436	30,974	33,739	36,751	40,031	43,604	47,496	51,736	56,354	61,394	441,196
Revenue	\$ 101,931.92	\$ 115,492.94	\$ 130,264.43	\$ 146,354.43	\$ 163,880.64	\$ 182,971.25	\$ 203,765.91	\$ 226,416.71	\$ 251,089.33	\$ 277,964.26	\$ 307,238.06	\$ 339,124.86	\$ 379,812.86	\$ 2,446,494.75
- Cost of Revenue	\$ (9,071.94)	\$ (10,278.87)	\$ (11,593.53)	\$ (13,025.54)	\$ (14,585.38)	\$ (16,284.44)	\$ (18,135.17)	\$ (20,151.09)	\$ (22,346.95)	\$ (24,738.82)	\$ (27,344.19)	\$ (30,182.11)	\$ (33,304.11)	\$ (217,738.03)
= Gross Profit	\$ 92,859.98	\$ 105,214.07	\$ 118,670.90	\$ 133,328.89	\$ 149,295.26	\$ 166,686.81	\$ 185,630.74	\$ 206,265.62	\$ 228,742.38	\$ 253,225.44	\$ 279,893.87	\$ 308,942.75	\$ 346,508.75	\$ 2,228,756.71
- Depreciation	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (49,500.01)
- SG&A	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (1,194,437.77)
Administrative Expenses	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (114,000.00)
Infrastructure Expenses	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (120,000.00)
Marketing Expenses	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (390,437.65)
Human Resources	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (570,000.12)
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax	\$ (10,801.50)	\$ 1,552.59	\$ 15,009.42	\$ 29,667.41	\$ 45,633.78	\$ 63,025.33	\$ 81,969.26	\$ 102,604.14	\$ 125,080.90	\$ 149,563.96	\$ 176,232.39	\$ 205,281.27	\$ 236,912.27	\$ 984,818.94
- Tax (20.5%)	\$ -	\$ (318.28)	\$ (3,076.93)	\$ (6,081.82)	\$ (9,354.93)	\$ (12,920.19)	\$ (16,803.70)	\$ (21,033.85)	\$ (25,641.58)	\$ (30,660.61)	\$ (36,127.64)	\$ (42,082.66)	\$ (48,500.00)	\$ (204,102.19)
= Net Income	\$ (10,801.50)	\$ 1,234.31	\$ 11,932.49	\$ 23,585.59	\$ 36,278.86	\$ 50,105.14	\$ 65,165.56	\$ 81,570.29	\$ 99,439.32	\$ 118,903.35	\$ 140,104.75	\$ 163,198.61	\$ 188,412.27	\$ 780,716.75
+ Depreciation	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 49,500.01
= Cash Flow from Operations	\$ (6,676.50)	\$ 5,359.31	\$ 16,057.49	\$ 27,710.59	\$ 40,403.86	\$ 54,230.14	\$ 69,290.56	\$ 85,695.29	\$ 103,564.32	\$ 123,028.35	\$ 144,229.75	\$ 167,323.61	\$ 196,912.27	\$ 830,216.75
- Acquisition of New equipment PP&E	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (185,000.03)
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow	\$ (22,093.17)	\$ (10,057.36)	\$ 640.82	\$ 12,293.92	\$ 24,987.19	\$ 38,813.47	\$ 53,873.89	\$ 70,278.62	\$ 88,147.65	\$ 107,611.68	\$ 128,813.08	\$ 151,906.94	\$ 174,495.60	\$ 645,216.73
Acumulated FCF	\$ (711,024.75)	\$ (721,082.11)	\$ (720,441.29)	\$ (708,147.37)	\$ (683,160.18)	\$ (644,346.71)	\$ (590,472.82)	\$ (520,194.20)	\$ (432,046.55)	\$ (324,434.87)	\$ (195,621.79)	\$ (43,714.85)	\$ 1,014,112.27	\$ 2,446,494.75

Source: Elaborated by the author (2019).

Chart 23 – Free Cash Flow statement for year 3

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
HIGH SCENARIO		YEAR 3												
GROWTH RATE		YEAR 3												Total Year 3
NORMAL GROWTH		Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	
Market %		0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	1.1%
Market Growth		8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	107%
# of active users		61,384	66,863	72,831	79,332	86,414	94,127	102,529	111,681	121,649	132,508	144,336	157,219	1,230,874
Revenue		\$ 373,857.90	\$ 411,691.25	\$ 452,901.62	\$ 497,790.46	\$ 546,686.12	\$ 599,946.24	\$ 657,960.39	\$ 721,152.94	\$ 789,986.10	\$ 864,963.36	\$ 946,633.15	\$ 1,035,592.84	\$ 7,899,162.36
- Cost of Revenue		\$ (33,273.35)	\$ (36,640.52)	\$ (40,308.24)	\$ (44,303.35)	\$ (48,655.06)	\$ (53,395.21)	\$ (58,558.48)	\$ (64,182.61)	\$ (70,308.76)	\$ (76,981.74)	\$ (84,250.35)	\$ (92,167.76)	\$ (703,025.45)
= Gross Profit		\$ 340,584.55	\$ 375,050.72	\$ 412,593.37	\$ 453,487.11	\$ 498,031.05	\$ 546,551.02	\$ 599,401.92	\$ 656,970.33	\$ 719,677.34	\$ 787,981.62	\$ 862,382.80	\$ 943,425.08	\$ 7,196,136.91
- Depreciation		\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (128,975.02)
- SG&A		\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (2,325,237.85)
Administrative Expenses		\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (230,400.00)
Infrastructure Expenses		\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (194,400.00)
Marketing Expenses		\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (390,437.65)
Human Resources		\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (1,510,000.20)
- Interest		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax		\$ 136,066.81	\$ 170,532.99	\$ 208,075.64	\$ 248,969.37	\$ 293,513.31	\$ 342,033.28	\$ 394,884.18	\$ 452,452.59	\$ 515,159.60	\$ 583,463.88	\$ 657,865.06	\$ 738,907.34	\$ 4,741,924.04
- Tax (20.5%)		\$ (27,893.70)	\$ (34,959.26)	\$ (42,655.51)	\$ (51,038.72)	\$ (60,170.23)	\$ (70,116.82)	\$ (80,951.26)	\$ (92,752.78)	\$ (105,607.72)	\$ (119,610.10)	\$ (134,862.34)	\$ (151,476.00)	\$ (972,094.43)
= Net Income		\$ 108,173.12	\$ 135,573.72	\$ 165,420.13	\$ 197,930.65	\$ 233,343.08	\$ 271,916.46	\$ 313,932.92	\$ 359,699.81	\$ 409,551.88	\$ 463,853.79	\$ 523,002.72	\$ 587,431.33	\$ 3,769,829.61
+ Depreciation		\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 128,975.02
= Cash Flow from Operations		\$ 118,921.03	\$ 146,321.64	\$ 176,168.05	\$ 208,678.57	\$ 244,091.00	\$ 282,664.38	\$ 324,680.84	\$ 370,447.73	\$ 420,299.80	\$ 474,601.70	\$ 533,750.64	\$ 598,179.25	\$ 3,898,804.63
- Acquisition of New equipment PP&E		\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (240,000.04)
- Changes in Working Capital		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow		\$ 98,921.03	\$ 126,321.64	\$ 156,168.05	\$ 188,678.57	\$ 224,091.00	\$ 262,664.37	\$ 304,680.84	\$ 350,447.72	\$ 400,299.79	\$ 454,601.70	\$ 513,750.64	\$ 578,179.25	\$ 3,658,804.60
Acumulated FCF		\$ 55,206.18	\$ 181,527.81	\$ 337,695.86	\$ 526,374.43	\$ 750,465.43	\$ 1,013,129.80	\$ 1,317,810.64	\$ 1,668,258.36	\$ 2,068,558.16	\$ 2,523,159.86	\$ 3,036,910.49	\$ 3,615,089.74	

Source: Elaborated by the author (2019).

In addition, the Chart 24 contains a summarized view of the 3 years of analysis for the 2 scenarios chosen. The complete results for the combinations of benchmark and marketing investment scenarios are presented on the Appendix C of this work.

Chart 24 - Free Cash Flow statement summarized

MARKETING INVESTMENT SCENARIOS	FREE CASH FLOW STATEMENT			
HIGH SCENARIO				
GROWTH RATE	Preoperational Stage (Month 0)	Total Year 1	Total Year 2	Total Year 3
NORMAL GROWTH				
Market %	0.0%	0.14%	0.4%	1.1%
Market Growth	0	683%	107%	107%
# Of Clients	50	158,193	441,196	1,230,874
Revenue	\$ -	\$ 492,035.07	\$ 2,446,494.75	\$ 7,899,162.36
- Cost of Revenue	\$ -	\$ (43,791.12)	\$ (217,738.03)	\$ (703,025.45)
= Gross Profit	\$ -	\$ 448,243.95	\$ 2,228,756.71	\$ 7,196,136.91
- Depreciation	\$ -	\$ -	\$ (49,500.01)	\$ (128,975.02)
- SG&A	\$ (80,536.48)	\$ (966,437.77)	\$ (1,194,437.77)	\$ (2,325,237.85)
Administrative Expenses	\$ (4,700.00)	\$ (56,400.00)	\$ (114,000.00)	\$ (230,400.00)
Infrastructure Expenses	\$ (5,800.00)	\$ (69,600.00)	\$ (120,000.00)	\$ (194,400.00)
Marketing Expenses	\$ (32,536.47)	\$ (390,437.65)	\$ (390,437.65)	\$ (390,437.65)
Human Resources	\$ (37,500.01)	\$ (450,000.12)	\$ (570,000.12)	\$ (1,510,000.20)
- Interest	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax	\$ (80,536.48)	\$ (518,193.82)	\$ 984,818.94	\$ 4,741,924.04
- Tax (20.5%)	\$ -	\$ -	\$ (204,102.19)	\$ (972,094.43)
= Net Income	\$ (80,536.48)	\$ (518,395.09)	\$ 780,716.75	\$ 3,769,829.61
+ Depreciation	\$ -	\$ -	\$ 49,500.01	\$ 128,975.02
= Cash Flow from Operations	\$ (80,536.48)	\$ (518,395.09)	\$ 830,216.75	\$ 3,898,804.63
- Acquisition of New equipment PP&E	\$ -	\$ (90,000.01)	\$ (185,000.03)	\$ (240,000.04)
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow	\$ (80,536.48)	\$ (608,395.10)	\$ 645,216.73	\$ 3,658,804.60
Acumulated FCF	\$ (80,536.48)	\$ (688,931.58)	\$ (43,714.85)	\$ 3,615,089.74

Source: Elaborated by the author (2019).

4.5.3 Scenario result analysis

Once all the cash flow was projected, it was obtained the results for profitability of the project. These results bring important outputs, such as the economic and financial viability of the business, as well as the shares that can be sold for seed investment, payback and breakeven periods.

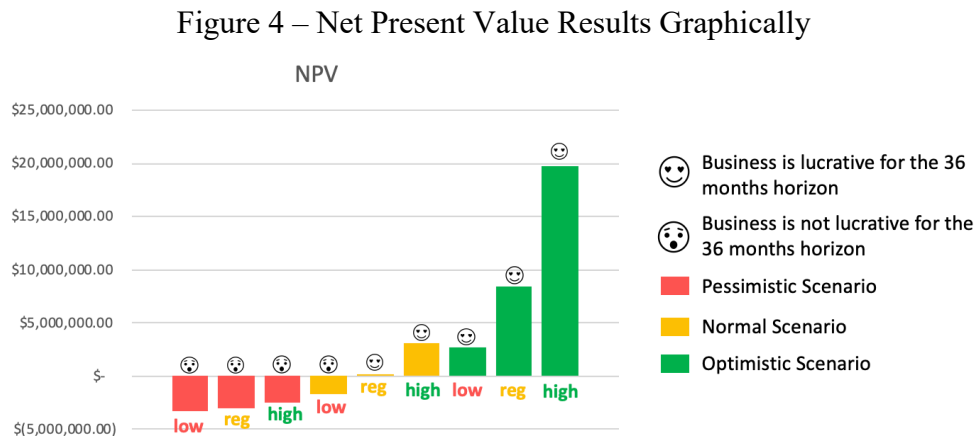
For this phase of work, the team defined that the Minimum Acceptable Rate of Return for the project should be 5% per year, that when considering the rate equivalence for compound interest, it is 15.8% for the total of 36 months. It is important to point out that, according to Statista (2019) the average inflation rate in Canada for the period of analysis is around 2%, meaning that the business would still have a net gain of 3%. However, each combination of scenario brought different results for analysis. The Chart 25 brings an overview of each scenario and its rates.

Chart 25 - Results analysis for each scenario combination

Result Analysis (MARR 5% p.y.)				
SCENARIOS	Metrics	20%	40%	60%
		PESSIMISTIC GROWTH	NORMAL GROWTH	OPTIMISTIC GROWTH
0.025% LOW SCENARIO	NPV	\$ (3,255,985.19)	\$ (1,623,206.80)	\$ 2,684,060.88
	IRR	n.a.	n.a.	6.76%
	VALUATION	\$ (3,385,554.17)	\$ (1,592,074.15)	\$ 3,281,449.19
	Working capital needed	\$ 3,571,765.63	\$ 1,790,823.45	\$ 747,257.68
	%	n.a.	n.a.	26.51%
	Breakeven	Month 36	Month 33	Month 17
Payback	Beyond horizon	Beyond horizon	Month 36	
0.05% REGULAR SCENARIO	NPV	\$ (2,990,845.80)	\$ 32,242.03	\$ 8,381,702.05
	IRR	n.a.	0.55%	12.07%
	VALUATION	\$ (3,089,060.57)	\$ 224,125.39	\$ 9,706,096.71
	Working capital needed	\$ 3,265,730.73	\$ 917,427.84	\$ 530,623.98
	%	n.a.	409.34%	5.47%
	Breakeven	Month 36	Month 19	Month 13
Payback	Beyond horizon	Month 36	Month 21	
0.1% HIGH SCENARIO	NPV	\$ (2,460,567.02)	\$ 3,110,705.25	\$ 19,722,313.89
	IRR	n.a.	7.34%	16.75%
	VALUATION	\$ (2,496,073.39)	\$ 3,624,090.02	\$ 22,500,721.26
	Working capital needed	\$ 2,653,660.93	\$ 721,082.11	\$ 480,924.05
	%	n.a.	19.90%	2.14%
	Breakeven	Month 36	Month 14	Month 8
Payback	Beyond horizon	Month 25	Month 16	

Source: Elaborated by the author (2019).

The analysis brought a total of 5 positive scenarios and 4 negative scenarios. The graphical analysis for each scenario combination is presented on the Appendix D of this work. The scenario that would bring the most value back to the project is the combination of High Scenario for marketing investments and the Optimistic Growth scenario. For this scenario, the business is valued around \$22.5 million dollars.



Source: Elaborated by the author (2019).

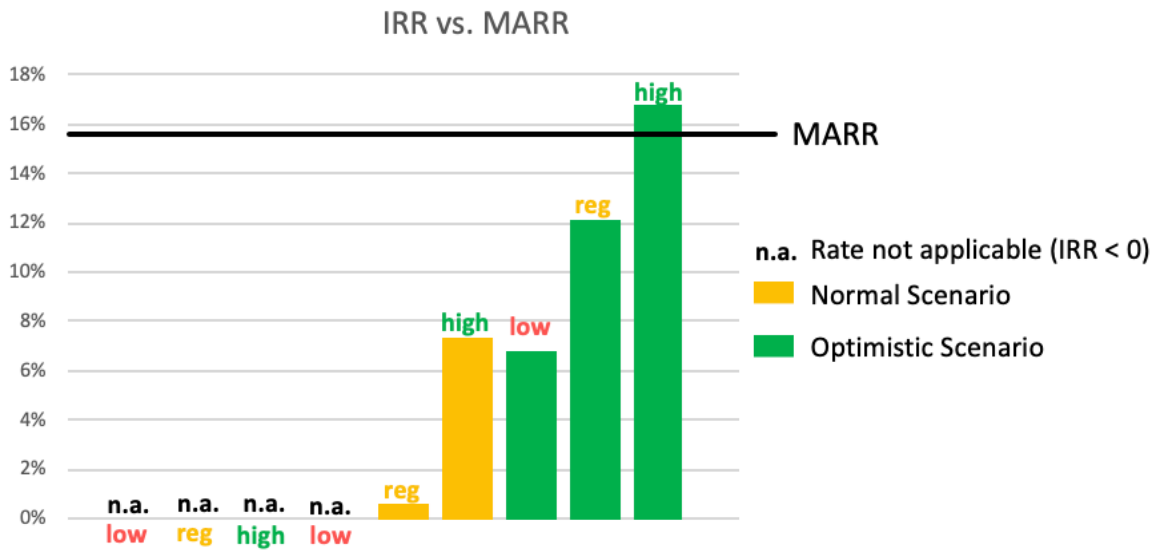
A seed investment of approximately \$481 thousands would be required to fund the first few months of operations. This investment will be used until the business can breakeven, starting from Month 8. The project would also be able to pay the investor back at month 16. However, it was not considered dividends and a profitability margin in which the business should pay the investor back.

It is also important to consider that for the scenarios that were negative, the projection could be reverted and turned into profitable scenarios for an analysis longer than 36 months. Nonetheless, this projection is yet to be plotted and uncertain and should be considered for future studies.

With the results obtained, it was also important to notice that all the marketing investment scenarios can bring positive returns. However, the pessimistic scenarios demonstrated to be not reliable as a good rate of growth, requiring the business to establish a performance that matches more than 20% of Slack's growth benchmarks.

In addition, on most scenarios, the IRR was lower than the established MARR of 5% per year or 15.8% for the total of 36 months.

Figure 5 – IRR vs. MARR Graphically



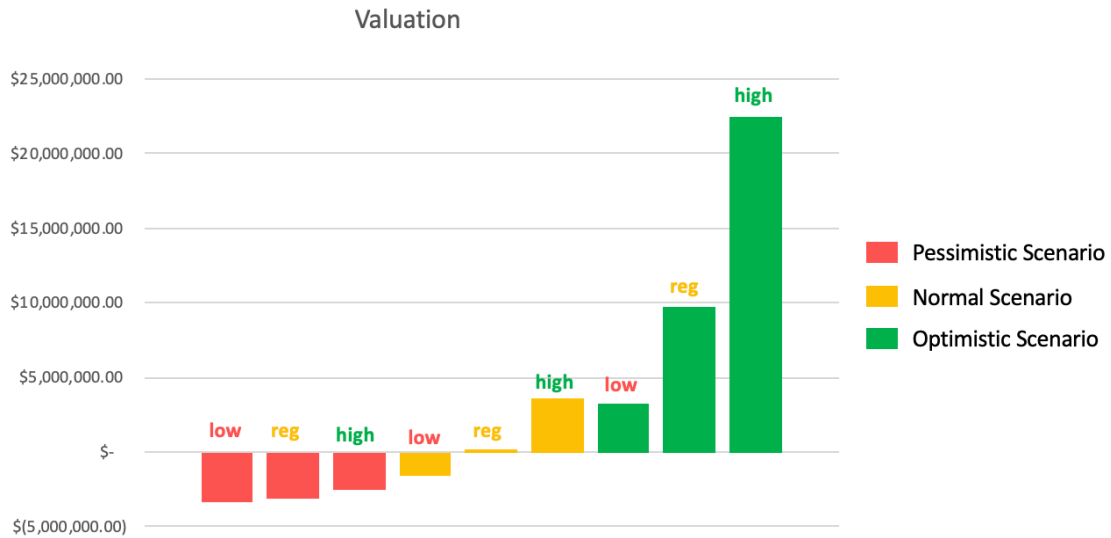
Source: Elaborated by the author (2019).

However, this result shows that the business can still maintain itself but would not be the best investment from the point of view of potential investors. Furthermore, for all the scenarios, the cost structure of the Startup is the same, and grows year by year with no dependence on the scenario chosen, with exception to the marketing investments.

For that matter, it is important to notice, that for the negative scenarios, the costs could be reconsidered and reduced to follow the business's growth trend. Maintaining a costly structure for a business not yet profitable might not be practical, so those changes could be done in order to turn the scenarios positive.

However, profitability should not be the only index to be analyzed in this case. According to TechCrunch (2019), investors must bet on the founder's vision. The source also states that Wall Street investors have chosen several unprofitable businesses, in a strategy that works, betting on potential market value. According to Einhorn (2017), that is mostly due to company's ability to be disruptive, to provide social change, or to advance new beneficial technologies.

Figure 6 – Business Valuation



Source: Elaborated by the author (2019).

As a result, the project has shown on the present study to be viable once it was capable of delivering more positive scenarios than negative ones. With these results, it was also possible to calculate the Customer Acquisition Cost (CAC), the percentage from the revenue that was allocated to marketing and the ratio from each consumer purchase that corresponds to the acquisition a client. The results for the High Scenario and Normal Growth are summarized on the Chart 26.

Chart 26 – CAC and other indexes

Index	YEAR 1	YEAR 2	YEAR 3	Average
Marketing % allocated	167%	18%	5%	64%
CAC	\$ 2.69	\$ 0.96	\$ 0.35	\$ 1.33
CAC / Purchase	54%	19%	7%	27%

Source: Elaborated by the author (2019).

4.6 Considerations

This chapter described all the steps taken in order to achieve the results analyzed at the end. The analysis considered a growing cost structure over time, with no relation to its growth or profitability performance. Tax rates and depreciation benefits were also provided and used in order to achieve values as close to reality as possible.

In addition, both types of interactions, the marketing investments and the growth rate were considered to be pragmatic, in order for the analysis to have room for changes in case the data provided for the study changes or has different results in the reality.

5 CONCLUSION

This chapter brings the conclusion of this work based on the proposed objectives for this study and the results obtained. It also brings suggestions for further analysis and future works on this matter.

Once the study was done, the results obtained from the capital budgeting analysis of the business provided valuable insights for the startup. As shown on the topic 4.2.1 and 4.2.2 of this study, the benchmark analysis provided important outputs on the analysis of how one of the biggest competitors expanded over time and in what rate it did it. This will be relevant for the company in study to track its own performance over time and estimate its growth, like the way this study did.

In addition, the scenarios that were created were extremely important not just calculate the viability of the business, but also to understand better what numbers have to be accomplished in order to achieve a positive cash flow. This will help the Startup on the development of goals and performance metrics.

Furthermore, the marketing investment scenarios as shown on the topic 4.3.2, will allow the company to estimate what should be the best investment over time and based on the business's growth, since on all the cases it could provide a positive cash flow.

Ultimately, this was the first time that the business was able to estimate its valuation and a viability analysis, which both are discussed on the topic 4.5.3. The results were also helpful on identifying the amount of investment that can be asked on a funding round, which in fact is being discussed to happen on the upcoming months. The work done can provide powerful insights for investors like the Internal Return Rate, Payback and Breakeven periods.

5.1 Limitations

One of the limitations that should be considered is that this study took decisions and calculated the outputs from a specific situation that should not be generalized.

Furthermore, the benchmarking study only covers one competitor. The one chosen is the market leader and its rates of growth are yet to be achieved by other companies from the same segment. This was considered during the study, which is the reasons none of the

scenarios discussed reaches the performance achieved by the competitor chosen. Some authors, as previously mentioned on the Theoretical Background, states that the companies analyzed should be average figures.

The marketing investments were based on statistics from each of the platforms chosen. However, since this is a very dynamic market, this rate can change daily. The investment done by the business can also escape the statistical range applied.

It's important to consider that it might be expected that the marketing investments should saturate over time and bring less users than predicted from the analysis. However, this work was developed for a short horizon of 36 months, in which this overload should occur in a lower scale. On the other hand, the organic growth caused by the word of mouth should compensate this decrement. In addition, it's important to notice that the safety margin adopted is one of the solutions adopted to make the data reliable even with overload effect, since the rate of saturation its unknow.

5.2 Suggestions for future studies

For future studies, some adjustments to this current work could be done to address some of the limitations stated above. For the benchmark analysis, more competitors could be included to the study. However, some companies do not release this information publicly, making it harder to create an analysis of this kind.

The marketing investments should be adapted accordingly with the performance from the ads from the business itself and not on the general B2B statistics adopted. In other words, this means that overtime, the predictions have to be updated with the values obtained from its own performance instead.

The scenarios used could also be implemented monthly, in order to impact a period of time isolated, making the analysis more dynamic. This means that for the predictions, the business can simulate different scenarios over time. Differently from what was used in this study, that a scenario would influence the whole horizon of time. It could also be considered the impact of the scenarios used in the analysis on the cost structure of the business. That could be used to increase the investments in the business once it shows to be profitable and reduced when producing low margins.

Lastly, this work aspires to have its approach used as a basis for other studies on capital budgeting and financial analysis, especially for technology-based companies such as startups.

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Expenses Forecast with Regular Investment Scenario Year 2 - Source: Elaborated by the author (2019).

YEAR 2	Factor	MONTH 13	MONTH 14	MONTH 15	MONTH 16	MONTH 17	MONTH 18	MONTH 19	MONTH 20	MONTH 21	MONTH 22	MONTH 23	MONTH 24	TOTAL YEAR 2
ADMINISTRATIVE	1.8	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 114,000.00
Rent	0.3	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 72,000.00
Accounting	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal & Other Taxes	0.5	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 42,000.00
INFRASTRUCTURE	0.85	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 120,000.00
Internet	0.15	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 72,000.00
Telephone	0.2	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 24,000.00
Water & Electricity and Maintenance	0.5	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 24,000.00
EQUIPMENT ACQUISITION	0.7	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 185,000.03
Development Licenses	0.4	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.02
Computer Hardware	0.3	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 105,000.01
DIGITAL MARKETING	0.001	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 195,218.82
Social Media	0.0005	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 192,002.51
SEO	0.0005	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 3,216.31
HUMAN RESOURCES	7	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 569,999.72
1. Business Operations														
Chief Executive Officer (CEO)	1	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 150,000.00
Chief Technology Officer (CTO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chief Marketing Officer (CMO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chief Financial Officer (CFO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Executive Assistant	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receptionist	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Customer Experience														
Customer Experience Manager	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Support Agent	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Manual QA Tester - Mobile	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Manual QA Tester – Desktop	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Technical Writer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Engineering														
Android Engineer / Developer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
iOS Engineer / Developer	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
UI Designer	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
UX Designer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web App Coders - Python	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
4. Finance														
Bookkeeper	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
5. IT														
DevOps + Cloud Operator	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
6. Legal & Policy														
Legal Compliance Officer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7. Marketing														
Social Media Marketing Manager	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing Data Coordinator	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8. Human Resources Operations														
Executive Recruiter	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9. Product Management														
Product Manager Mobile App	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Product Manager – Web Platform	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10. Sales														
Sales Agents	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Security														
Product Security Engineer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Security Operations Engineer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL		\$ 98,684.91	\$ 98,684.91	\$ 98,684.91	\$ 98,684.91	\$ 98,684.91	\$ 98,684.91	\$ 98,684.91	\$ 98,684.91	\$ 98,684.91	\$ 98,684.91	\$ 98,684.91	\$ 98,684.91	\$ 1,184,218.57

Expenses Forecast with Regular Investment Scenario Year 3 - Source: Elaborated by the author (2019).

YEAR 3	Factor	MONTH 25	MONTH 26	MONTH 27	MONTH 28	MONTH 29	MONTH 30	MONTH 31	MONTH 32	MONTH 33	MONTH 34	MONTH 35	MONTH 36	TOTAL YEAR 3
ADMINISTRATIVE	2.1	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 230,400.00
Rent	0.5	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 120,000.00
Accounting	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Municipal & Other Taxes	0.6	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 50,400.00
INFRASTRUCTURE	1.5	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 194,400.00
Internet	0.2	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 96,000.00
Telephone	0.5	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Water & Electricity and Maintenance	0.8	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 38,400.00
EQUIPMENT ACQUISITION	0.9	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 340,000.02
Development Licenses	0.5	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 200,000.00
Computer Hardware	0.4	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 140,000.02
DIGITAL MARKETING	0.001	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 16,268.24	\$ 195,218.82
Social Media	0.0005	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 16,000.21	\$ 192,002.51
SEO	0.0005	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 268.03	\$ 3,216.31
HUMAN RESOURCES	20	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 1,509,999.80
1. Business Operations														
Chief Executive Officer (CEO)	0.5	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
Chief Technology Officer (CTO)	0.5	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
Chief Marketing Officer (CMO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chief Financial Officer (CFO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Executive Assistant	1	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 50,000.10
Receptionist	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Customer Experience														
Customer Experience Manager	1	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 100,000.00
Customer Support Agent	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Manual QA Tester - Mobile	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Manual QA Tester - Desktop	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Technical Writer	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
3. Engineering														
Android Engineer / Developer	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
iOS Engineer / Developer	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
UI Designer	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
UX Designer	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Web App Coders - Python	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
4. Finance														
Bookkeeper	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
5. IT														
DevOps + Cloud Operator	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
6. Legal & Policy														
Legal Compliance Officer	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
7. Marketing														
Social Media Marketing Manager	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
Marketing Data Coordinator	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
8. Human Resources Operations														
Executive Recruiter	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
9. Product Management														
Product Manager Mobile App	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
Product Manager - Web Platform	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
10. Sales														
Sales Agents	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Security														
Product Security Engineer	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
Security Operations Engineer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL		\$ 197,501.59	\$ 197,501.59	\$ 197,501.59	\$ 197,501.59	\$ 197,501.59	\$ 197,501.59	\$ 197,501.59	\$ 197,501.59	\$ 197,501.59	\$ 197,501.59	\$ 197,501.59	\$ 197,501.59	\$ 2,470,018.64

Expenses Forecast with Low Investment Scenario Year 2 - Source: Elaborated by the author (2019).

YEAR 2	Factor	MONTH 13	MONTH 14	MONTH 15	MONTH 16	MONTH 17	MONTH 18	MONTH 19	MONTH 20	MONTH 21	MONTH 22	MONTH 23	MONTH 24	TOTAL YEAR 2
ADMINISTRATIVE	1.8	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 9,500.00	\$ 114,000.00
Rent	0.3	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 72,000.00
Accounting	1	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Municipal & Other Taxes	0.5	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 3,500.00	\$ 42,000.00
INFRASTRUCTURE	0.85	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 120,000.00
Internet	0.15	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 6,000.00	\$ 72,000.00
Telephone	0.2	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 24,000.00
Water & Electricity and Maintenance	0.5	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 24,000.00
EQUIPMENT ACQUISITION	0.7	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 15,416.67	\$ 185,000.03
Development Licenses	0.4	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.02
Computer Hardware	0.3	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 8,750.00	\$ 105,000.01
DIGITAL MARKETING	0.0005	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 97,609.41
Social Media	0.0003	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 96,001.26
SEO	0.0003	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 1,608.16
HUMAN RESOURCES	7	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 47,500.01	\$ 569,999.72
1. Business Operations														
Chief Executive Officer (CEO)	1	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 12,500.00	\$ 150,000.00
Chief Technology Officer (CTO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chief Marketing Officer (CMO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chief Financial Officer (CFO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Executive Assistant	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receptionist	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Customer Experience														
Customer Experience Manager	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Customer Support Agent	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Manual QA Tester - Mobile	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Manual QA Tester – Desktop	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Technical Writer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3. Engineering														
Android Engineer / Developer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
iOS Engineer / Developer	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
UI Designer	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
UX Designer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Web App Coders - Python	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
4. Finance														
Bookkeeper	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
5. IT														
DevOps + Cloud Operator	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
6. Legal & Policy														
Legal Compliance Officer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7. Marketing														
Social Media Marketing Manager	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Marketing Data Coordinator	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8. Human Resources Operations														
Executive Recruiter	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9. Product Management														
Product Manager Mobile App	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Product Manager – Web Platform	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
10. Sales														
Sales Agents	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Security														
Product Security Engineer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Security Operations Engineer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL		\$ 90,550.80	\$ 90,550.80	\$ 90,550.80	\$ 90,550.80	\$ 90,550.80	\$ 90,550.80	\$ 90,550.80	\$ 90,550.80	\$ 90,550.80	\$ 90,550.80	\$ 90,550.80	\$ 90,550.80	\$ 1,086,609.16

Expenses Forecast with Low Investment Scenario Year 3 - Source: Elaborated by the author (2019).

YEAR 3	Factor	MONTH 25	MONTH 26	MONTH 27	MONTH 28	MONTH 29	MONTH 30	MONTH 31	MONTH 32	MONTH 33	MONTH 34	MONTH 35	MONTH 36	TOTAL YEAR 3
ADMINISTRATIVE	2.1	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 19,200.00	\$ 230,400.00
Rent	0.5	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 120,000.00
Accounting	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Municipal & Other Taxes	0.6	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 4,200.00	\$ 50,400.00
INFRASTRUCTURE	1.5	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 16,200.00	\$ 194,400.00
Internet	0.2	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 8,000.00	\$ 96,000.00
Telephone	0.5	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Water & Electricity and Maintenance	0.8	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 3,200.00	\$ 38,400.00
EQUIPMENT ACQUISITION	0.9	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 340,000.02
Development Licenses	0.5	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 8,333.34	\$ 200,000.00
Computer Hardware	0.4	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 11,666.67	\$ 140,000.02
DIGITAL MARKETING	0.0005	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 8,134.12	\$ 97,609.41
Social Media	0.0003	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 8,000.10	\$ 96,001.26
SEO	0.0003	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 134.01	\$ 1,608.16
HUMAN RESOURCES	20	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 125,833.35	\$ 1,509,999.80
1. Business Operations														
Chief Executive Officer (CEO)	0.5	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
Chief Technology Officer (CTO)	0.5	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
Chief Marketing Officer (CMO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Chief Financial Officer (CFO)	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Executive Assistant	1	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 4,166.67	\$ 50,000.10
Receptionist	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
2. Customer Experience														
Customer Experience Manager	1	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 8,333.33	\$ 100,000.00
Customer Support Agent	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Manual QA Tester - Mobile	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Manual QA Tester - Desktop	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Technical Writer	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
3. Engineering														
Android Engineer / Developer	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
iOS Engineer / Developer	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
UI Designer	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
UX Designer	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
Web App Coders - Python	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
4. Finance														
Bookkeeper	1	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 60,000.00
5. IT														
DevOps + Cloud Operator	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
6. Legal & Policy														
Legal Compliance Officer	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
7. Marketing														
Social Media Marketing Manager	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
Marketing Data Coordinator	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
8. Human Resources Operations														
Executive Recruiter	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
9. Product Management														
Product Manager Mobile App	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
Product Manager - Web Platform	1	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 6,250.00	\$ 75,000.00
10. Sales														
Sales Agents	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11. Security														
Product Security Engineer	1	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 6,666.67	\$ 80,000.10
Security Operations Engineer	0	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
TOTAL		\$ 189,367.47	\$ 189,367.47	\$ 189,367.47	\$ 189,367.47	\$ 189,367.47	\$ 189,367.47	\$ 189,367.47	\$ 189,367.47	\$ 189,367.47	\$ 189,367.47	\$ 189,367.47	\$ 189,367.47	\$ 2,372,409.23

APENDIX B – DEMAND AND REVENUE FORECAST

High Investment Scenario & Optimistic Growth

YEAR 1	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	TOTAL YEAR 1
Monthly Users Obtained	7,887	8,943	10,140	11,498	13,037	14,782	16,762	19,006	21,551	24,436	27,708	31,418	207,166
Acumulated # Users	7,937	16,879	27,019	38,517	51,554	66,336	83,098	102,104	123,654	148,091	175,799	207,216	
Monthly Converted Users	1,339	1,518	1,721	1,952	2,213	2,509	2,845	3,226	3,658	4,148	4,703	5,333	35,166
Acumulated # of PAID Users	1,339	2,857	4,578	6,530	8,743	11,252	14,097	17,324	20,982	25,130	29,833	35,166	
Revenue Forecast	\$ 6,693.75	\$ 14,283.73	\$ 22,889.95	\$ 32,648.46	\$ 43,713.55	\$ 56,260.16	\$ 70,486.64	\$ 86,617.93	\$ 104,909.05	\$ 125,649.19	\$ 149,166.26	\$ 175,832.05	\$ 889,150.72
YEAR 2	MONTH 13	MONTH 14	MONTH 15	MONTH 16	MONTH 17	MONTH 18	MONTH 19	MONTH 20	MONTH 21	MONTH 22	MONTH 23	MONTH 24	TOTAL YEAR 2
Monthly Users Obtained	35,624	40,394	45,803	51,935	58,889	66,773	75,714	85,851	97,346	110,380	125,159	141,916	935,784
Acumulated # Users	242,841	283,235	329,037	380,972	439,861	506,635	582,348	668,200	765,546	875,925	1,001,084	1,143,000	
Monthly Converted Users	6,047	6,857	7,775	8,816	9,996	11,335	12,852	14,573	16,524	18,737	21,246	24,090	158,849
Acumulated # of PAID Users	41,214	48,071	55,845	64,661	74,658	85,993	98,845	113,418	129,943	148,680	169,925	194,015	
Revenue Forecast	\$ 206,068.15	\$ 240,352.60	\$ 279,227.44	\$ 323,307.27	\$ 373,289.00	\$ 429,962.83	\$ 494,224.80	\$ 567,090.87	\$ 649,713.07	\$ 743,397.64	\$ 849,625.75	\$ 970,076.86	\$ 6,126,336.27
YEAR 3	MONTH 25	MONTH 26	MONTH 27	MONTH 28	MONTH 29	MONTH 30	MONTH 31	MONTH 32	MONTH 33	MONTH 34	MONTH 35	MONTH 36	TOTAL YEAR 3
Monthly Users Obtained	160,917	182,463	206,893	234,594	266,004	301,620	342,004	387,796	439,718	498,592	565,349	641,045	4,226,996
Acumulated # Users	1,303,918	1,486,380	1,693,274	1,927,868	2,193,872	2,495,492	2,837,496	3,225,292	3,665,010	4,163,602	4,728,951	5,369,996	
Monthly Converted Users	27,316	30,973	35,120	39,822	45,154	51,200	58,055	65,828	74,642	84,636	95,968	108,817	717,531
Acumulated # of PAID Users	221,331	252,304	287,424	327,246	372,401	423,600	481,656	547,484	622,126	706,762	802,729	911,546	
Revenue Forecast	\$ 1,106,655.31	\$ 1,261,520.40	\$ 1,437,120.56	\$ 1,636,232.02	\$ 1,862,002.74	\$ 2,118,002.16	\$ 2,408,277.64	\$ 2,737,418.43	\$ 3,110,628.26	\$ 3,533,807.58	\$ 4,013,646.86	\$ 4,557,732.37	\$ 29,783,044.31

Source: Elaborated by the author (2019).

High Investment Scenario & Pessimistic Growth

YEAR 1	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	TOTAL YEAR 1
Monthly Users Obtained	7,887	8,239	8,606	8,990	9,392	9,811	10,249	10,706	11,184	11,683	12,204	12,749	121,699
Acumulated # Users	7,937	16,175	24,781	33,772	43,164	52,974	63,223	73,929	85,113	96,796	109,000	121,749	
Monthly Converted Users	446	466	487	509	531	555	580	606	633	661	691	721	6,886
Acumulated # of PAID Users	446	912	1,399	1,908	2,440	2,995	3,575	4,180	4,813	5,474	6,165	6,886	
Revenue Forecast	\$ 2,231.25	\$ 4,562.08	\$ 6,996.94	\$ 9,540.46	\$ 12,197.51	\$ 14,973.14	\$ 17,872.65	\$ 20,901.56	\$ 24,065.65	\$ 27,370.96	\$ 30,823.79	\$ 34,430.72	\$ 205,966.71

YEAR 2	MONTH 13	MONTH 14	MONTH 15	MONTH 16	MONTH 17	MONTH 18	MONTH 19	MONTH 20	MONTH 21	MONTH 22	MONTH 23	MONTH 24	TOTAL YEAR 2
Monthly Users Obtained	13,318	13,912	14,533	15,182	15,860	16,567	17,307	18,079	18,886	19,729	20,610	21,529	205,513
Acumulated # Users	135,067	148,980	163,513	178,695	194,555	211,123	228,429	246,509	265,395	285,124	305,733	327,263	
Monthly Converted Users	754	787	822	859	897	937	979	1,023	1,069	1,116	1,166	1,218	11,629
Acumulated # of PAID Users	7,640	8,427	9,249	10,108	11,006	11,943	12,922	13,945	15,014	16,130	17,297	18,515	
Revenue Forecast	\$ 38,198.62	\$ 42,134.69	\$ 46,246.43	\$ 50,541.67	\$ 55,028.62	\$ 59,715.82	\$ 64,612.20	\$ 69,727.12	\$ 75,070.32	\$ 80,651.99	\$ 86,482.77	\$ 92,573.77	\$ 760,984.02

YEAR 3	MONTH 25	MONTH 26	MONTH 27	MONTH 28	MONTH 29	MONTH 30	MONTH 31	MONTH 32	MONTH 33	MONTH 34	MONTH 35	MONTH 36	TOTAL YEAR 3
Monthly Users Obtained	22,490	23,494	24,543	25,638	26,782	27,977	29,226	30,530	31,893	33,316	34,803	36,357	347,050
Acumulated # Users	349,753	373,247	397,790	423,427	450,210	478,187	507,413	537,943	569,836	603,153	637,956	674,313	
Monthly Converted Users	1,273	1,329	1,389	1,451	1,515	1,583	1,654	1,728	1,805	1,885	1,969	2,057	19,637
Acumulated # of PAID Users	19,787	21,117	22,505	23,956	25,471	27,055	28,708	30,436	32,240	34,126	36,095	38,152	
Revenue Forecast	\$ 98,936.63	\$ 105,583.46	\$ 112,526.94	\$ 119,780.31	\$ 127,357.40	\$ 135,272.66	\$ 143,541.18	\$ 152,178.72	\$ 161,201.77	\$ 170,627.51	\$ 180,473.93	\$ 190,759.80	\$ 1,698,240.29

Source: Elaborated by the author (2019).

Regular Investment Scenario & Optimistic Growth

YEAR 1	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	TOTAL YEAR 1
Monthly Users Obtained	3,943	4,471	5,070	5,749	6,518	7,391	8,381	9,503	10,775	12,218	13,854	15,709	103,583
Acumulated # Users	3,993	8,465	13,535	19,283	25,802	33,193	41,574	51,077	61,852	74,070	87,924	103,633	
Monthly Converted Users	669	759	861	976	1,107	1,255	1,423	1,613	1,829	2,074	2,352	2,667	17,583
Acumulated # of PAID Users	669	1,428	2,289	3,265	4,371	5,626	7,049	8,662	10,491	12,565	14,917	17,583	
Revenue Forecast	\$ 3,346.87	\$ 7,141.87	\$ 11,444.97	\$ 16,324.23	\$ 21,856.77	\$ 28,130.08	\$ 35,243.32	\$ 43,308.96	\$ 52,454.53	\$ 62,824.60	\$ 74,583.13	\$ 87,916.02	\$ 444,575.36

YEAR 2	MONTH 13	MONTH 14	MONTH 15	MONTH 16	MONTH 17	MONTH 18	MONTH 19	MONTH 20	MONTH 21	MONTH 22	MONTH 23	MONTH 24	TOTAL YEAR 2
Monthly Users Obtained	17,812	20,197	22,901	25,968	29,444	33,387	37,857	42,926	48,673	55,190	62,579	70,958	467,892
Acumulated # Users	121,445	141,642	164,544	190,511	219,956	253,342	291,199	334,125	382,798	437,988	500,567	571,525	
Monthly Converted Users	3,024	3,428	3,887	4,408	4,998	5,667	6,426	7,287	8,262	9,368	10,623	12,045	79,424
Acumulated # of PAID Users	20,607	24,035	27,923	32,331	37,329	42,996	49,422	56,709	64,971	74,340	84,963	97,008	
Revenue Forecast	\$ 103,034.08	\$ 120,176.30	\$ 139,613.72	\$ 161,653.63	\$ 186,644.50	\$ 214,981.42	\$ 247,112.40	\$ 283,545.44	\$ 324,856.53	\$ 371,698.82	\$ 424,812.87	\$ 485,038.43	\$ 3,063,168.14

YEAR 3	MONTH 25	MONTH 26	MONTH 27	MONTH 28	MONTH 29	MONTH 30	MONTH 31	MONTH 32	MONTH 33	MONTH 34	MONTH 35	MONTH 36	TOTAL YEAR 3
Monthly Users Obtained	80,459	91,231	103,447	117,297	133,002	150,810	171,002	193,898	219,859	249,296	282,675	320,522	2,113,498
Acumulated # Users	651,984	743,215	846,662	963,959	1,096,961	1,247,771	1,418,773	1,612,671	1,832,530	2,081,826	2,364,501	2,685,023	
Monthly Converted Users	13,658	15,487	17,560	19,911	22,577	25,600	29,028	32,914	37,321	42,318	47,984	54,409	358,766
Acumulated # of PAID Users	110,666	126,152	143,712	163,623	186,200	211,800	240,828	273,742	311,063	353,381	401,365	455,773	
Revenue Forecast	\$ 553,327.65	\$ 630,760.20	\$ 718,560.28	\$ 818,116.01	\$ 931,001.37	\$ 1,059,001.08	\$ 1,204,138.82	\$ 1,368,709.22	\$ 1,555,314.13	\$ 1,766,903.79	\$ 2,006,823.43	\$ 2,278,866.18	\$ 14,891,522.16

Source: Elaborated by the author (2019).

Regular Investment Scenario & Normal Growth

YEAR 1	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	TOTAL YEAR 1
Monthly Users Obtained	3,943	4,295	4,679	5,096	5,551	6,047	6,586	7,174	7,815	8,512	9,272	10,100	79,071
Acumulated # Users	3,993	8,289	12,967	18,064	23,615	29,662	36,248	43,422	51,237	59,749	69,022	79,121	
Monthly Converted Users	446	486	529	577	628	684	745	812	884	963	1,049	1,143	8,948
Acumulated # of PAID Users	446	932	1,462	2,039	2,667	3,351	4,096	4,908	5,793	6,756	7,805	8,948	
Revenue Forecast	\$ 2,231.25	\$ 4,661.66	\$ 7,309.02	\$ 10,192.67	\$ 13,333.73	\$ 16,755.16	\$ 20,481.99	\$ 24,541.48	\$ 28,963.32	\$ 33,779.85	\$ 39,026.32	\$ 44,741.09	\$ 246,017.53

YEAR 2	MONTH 13	MONTH 14	MONTH 15	MONTH 16	MONTH 17	MONTH 18	MONTH 19	MONTH 20	MONTH 21	MONTH 22	MONTH 23	MONTH 24	TOTAL YEAR 2
Monthly Users Obtained	11,001	11,983	13,053	14,218	15,487	16,869	18,375	20,015	21,802	23,748	25,868	28,177	220,598
Acumulated # Users	90,123	102,106	115,159	129,377	144,864	161,733	180,109	200,124	221,926	245,674	271,542	299,719	
Monthly Converted Users	1,245	1,356	1,477	1,609	1,753	1,909	2,079	2,265	2,467	2,687	2,927	3,189	24,964
Acumulated # of PAID Users	10,193	11,549	13,026	14,635	16,388	18,297	20,377	22,642	25,109	27,796	30,724	33,912	
Revenue Forecast	\$ 50,965.96	\$ 57,746.47	\$ 65,132.22	\$ 73,177.22	\$ 81,940.32	\$ 91,485.63	\$ 101,882.95	\$ 113,208.35	\$ 125,544.67	\$ 138,982.13	\$ 153,619.03	\$ 169,562.43	\$ 1,223,247.37

YEAR 3	MONTH 25	MONTH 26	MONTH 27	MONTH 28	MONTH 29	MONTH 30	MONTH 31	MONTH 32	MONTH 33	MONTH 34	MONTH 35	MONTH 36	TOTAL YEAR 3
Monthly Users Obtained	30,692	33,432	36,416	39,666	43,207	47,064	51,264	55,840	60,825	66,254	72,168	78,610	615,437
Acumulated # Users	330,411	363,843	400,258	439,925	483,131	530,195	581,459	637,300	698,125	764,379	836,546	915,156	
Monthly Converted Users	3,473	3,783	4,121	4,489	4,890	5,326	5,801	6,319	6,883	7,498	8,167	8,896	69,647
Acumulated # of PAID Users	37,386	41,169	45,290	49,779	54,669	59,995	65,796	72,115	78,999	86,496	94,663	103,559	
Revenue Forecast	\$ 186,928.95	\$ 205,845.62	\$ 226,450.81	\$ 248,895.23	\$ 273,343.06	\$ 299,973.12	\$ 328,980.20	\$ 360,576.47	\$ 394,993.05	\$ 432,481.68	\$ 473,316.57	\$ 517,796.42	\$ 3,949,581.18

Source: Elaborated by the author (2019).

Regular Investment Scenario & Pessimistic Growth

YEAR 1	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	TOTAL YEAR 1
Monthly Users Obtained	3,943	4,119	4,303	4,495	4,696	4,905	5,124	5,353	5,592	5,842	6,102	6,375	60,850
Acumulated # Users	3,993	8,113	12,416	16,911	21,607	26,512	31,636	36,990	42,581	48,423	54,525	60,900	
Monthly Converted Users	223	233	243	254	266	278	290	303	316	331	345	361	3,443
Acumulated # of PAID Users	223	456	700	954	1,220	1,497	1,787	2,090	2,407	2,737	3,082	3,443	
Revenue Forecast	\$ 1,115.62	\$ 2,281.04	\$ 3,498.47	\$ 4,770.23	\$ 6,098.75	\$ 7,486.57	\$ 8,936.32	\$ 10,450.78	\$ 12,032.83	\$ 13,685.48	\$ 15,411.89	\$ 17,215.36	\$ 102,983.35

YEAR 2	MONTH 13	MONTH 14	MONTH 15	MONTH 16	MONTH 17	MONTH 18	MONTH 19	MONTH 20	MONTH 21	MONTH 22	MONTH 23	MONTH 24	TOTAL YEAR 2
Monthly Users Obtained	6,659	6,956	7,267	7,591	7,930	8,284	8,653	9,040	9,443	9,865	10,305	10,765	102,757
Acumulated # Users	67,559	74,515	81,782	89,373	97,303	105,586	114,240	123,279	132,722	142,587	152,892	163,656	
Monthly Converted Users	377	394	411	430	449	469	490	511	534	558	583	609	5,814
Acumulated # of PAID Users	3,820	4,213	4,625	5,054	5,503	5,972	6,461	6,973	7,507	8,065	8,648	9,257	
Revenue Forecast	\$ 19,099.31	\$ 21,067.35	\$ 23,123.21	\$ 25,270.84	\$ 27,514.31	\$ 29,857.91	\$ 32,306.10	\$ 34,863.56	\$ 37,535.16	\$ 40,325.99	\$ 43,241.38	\$ 46,286.89	\$ 380,492.01

YEAR 3	MONTH 25	MONTH 26	MONTH 27	MONTH 28	MONTH 29	MONTH 30	MONTH 31	MONTH 32	MONTH 33	MONTH 34	MONTH 35	MONTH 36	TOTAL YEAR 3
Monthly Users Obtained	11,245	11,747	12,271	12,819	13,391	13,989	14,613	15,265	15,947	16,658	17,402	18,178	173,525
Acumulated # Users	174,902	186,649	198,920	211,739	225,130	239,119	253,732	268,997	284,943	301,601	319,003	337,181	
Monthly Converted Users	636	665	694	725	758	792	827	864	902	943	985	1,029	9,819
Acumulated # of PAID Users	9,894	10,558	11,253	11,978	12,736	13,527	14,354	15,218	16,120	17,063	18,047	19,076	
Revenue Forecast	\$ 49,468.31	\$ 52,791.73	\$ 56,263.47	\$ 59,890.15	\$ 63,678.70	\$ 67,636.33	\$ 71,770.59	\$ 76,089.36	\$ 80,600.88	\$ 85,313.76	\$ 90,236.97	\$ 95,379.90	\$ 849,120.15

Source: Elaborated by the author (2019).

Low Investment Scenario & Optimistic Growth

YEAR 1	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	TOTAL YEAR 1
Monthly Users Obtained	1,972	2,236	2,535	2,874	3,259	3,696	4,190	4,751	5,388	6,109	6,927	7,854	51,792
Acumulated # Users	2,022	4,257	6,792	9,667	12,926	16,622	20,812	25,563	30,951	37,060	43,987	51,842	
Monthly Converted Users	335	379	430	488	553	627	711	807	915	1,037	1,176	1,333	8,792
Acumulated # of PAID Users	335	714	1,144	1,632	2,186	2,813	3,524	4,331	5,245	6,282	7,458	8,792	
Revenue Forecast	\$ 1,673.44	\$ 3,570.93	\$ 5,722.49	\$ 8,162.11	\$ 10,928.39	\$ 14,065.04	\$ 17,621.66	\$ 21,654.48	\$ 26,227.26	\$ 31,412.30	\$ 37,291.56	\$ 43,958.01	\$ 222,287.68
YEAR 2	MONTH 13	MONTH 14	MONTH 15	MONTH 16	MONTH 17	MONTH 18	MONTH 19	MONTH 20	MONTH 21	MONTH 22	MONTH 23	MONTH 24	TOTAL YEAR 2
Monthly Users Obtained	8,906	10,099	11,451	12,984	14,722	16,693	18,928	21,463	24,336	27,595	31,290	35,479	233,946
Acumulated # Users	60,748	70,846	82,297	95,281	110,003	126,696	145,625	167,087	191,424	219,019	250,308	285,788	
Monthly Converted Users	1,512	1,714	1,944	2,204	2,499	2,834	3,213	3,643	4,131	4,684	5,311	6,023	39,712
Acumulated # of PAID Users	10,303	12,018	13,961	16,165	18,664	21,498	24,711	28,355	32,486	37,170	42,481	48,504	
Revenue Forecast	\$ 51,517.04	\$ 60,088.15	\$ 69,806.86	\$ 80,826.82	\$ 93,322.25	\$ 107,490.71	\$ 123,556.20	\$ 141,772.72	\$ 162,428.27	\$ 185,849.41	\$ 212,406.44	\$ 242,519.21	\$ 1,531,584.07
YEAR 3	MONTH 25	MONTH 26	MONTH 27	MONTH 28	MONTH 29	MONTH 30	MONTH 31	MONTH 32	MONTH 33	MONTH 34	MONTH 35	MONTH 36	TOTAL YEAR 3
Monthly Users Obtained	40,229	45,616	51,723	58,649	66,501	75,405	85,501	96,949	109,929	124,648	141,337	160,261	1,056,749
Acumulated # Users	326,017	371,633	423,356	482,004	548,506	623,911	709,412	806,360	916,290	1,040,938	1,182,275	1,342,536	
Monthly Converted Users	6,829	7,743	8,780	9,956	11,289	12,800	14,514	16,457	18,660	21,159	23,992	27,204	179,383
Acumulated # of PAID Users	55,333	63,076	71,856	81,812	93,100	105,900	120,414	136,871	155,531	176,690	200,682	227,887	
Revenue Forecast	\$ 276,663.83	\$ 315,380.10	\$ 359,280.14	\$ 409,058.00	\$ 465,500.68	\$ 529,500.54	\$ 602,069.41	\$ 684,354.61	\$ 777,657.06	\$ 883,451.89	\$ 1,003,411.71	\$ 1,139,433.09	\$ 7,445,761.08

Source: Elaborated by the author (2019).

Low Investment Scenario & Normal Growth

YEAR 1	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	TOTAL YEAR 1
Monthly Users Obtained	1,972	2,148	2,339	2,548	2,776	3,023	3,293	3,587	3,907	4,256	4,636	5,050	39,536
Acumulated # Users	2,022	4,169	6,509	9,057	11,832	14,856	18,149	21,736	25,644	29,900	34,536	39,586	
Monthly Converted Users	223	243	265	288	314	342	373	406	442	482	525	571	4,474
Acumulated # of PAID Users	223	466	731	1,019	1,333	1,676	2,048	2,454	2,896	3,378	3,903	4,474	
Revenue Forecast	\$ 1,115.62	\$ 2,330.83	\$ 3,654.51	\$ 5,096.34	\$ 6,666.87	\$ 8,377.58	\$ 10,240.99	\$ 12,270.74	\$ 14,481.66	\$ 16,889.93	\$ 19,513.16	\$ 22,370.54	\$ 123,008.77

YEAR 2	MONTH 13	MONTH 14	MONTH 15	MONTH 16	MONTH 17	MONTH 18	MONTH 19	MONTH 20	MONTH 21	MONTH 22	MONTH 23	MONTH 24	TOTAL YEAR 2
Monthly Users Obtained	5,501	5,992	6,526	7,109	7,744	8,435	9,188	10,008	10,901	11,874	12,934	14,088	110,299
Acumulated # Users	45,086	51,078	57,604	64,713	72,457	80,892	90,079	100,087	110,988	122,862	135,796	149,885	
Monthly Converted Users	622	678	739	805	876	955	1,040	1,133	1,234	1,344	1,464	1,594	12,482
Acumulated # of PAID Users	5,097	5,775	6,513	7,318	8,194	9,149	10,188	11,321	12,554	13,898	15,362	16,956	
Revenue Forecast	\$ 25,482.98	\$ 28,873.24	\$ 32,566.11	\$ 36,588.61	\$ 40,970.16	\$ 45,742.81	\$ 50,941.48	\$ 56,604.18	\$ 62,772.33	\$ 69,491.06	\$ 76,809.51	\$ 84,781.22	\$ 611,623.69

YEAR 3	MONTH 25	MONTH 26	MONTH 27	MONTH 28	MONTH 29	MONTH 30	MONTH 31	MONTH 32	MONTH 33	MONTH 34	MONTH 35	MONTH 36	TOTAL YEAR 3
Monthly Users Obtained	15,346	16,716	18,208	19,833	21,603	23,532	25,632	27,920	30,412	33,127	36,084	39,305	307,718
Acumulated # Users	165,231	181,946	200,154	219,987	241,591	265,123	290,755	318,675	349,087	382,214	418,298	457,603	
Monthly Converted Users	1,737	1,892	2,061	2,244	2,445	2,663	2,901	3,160	3,442	3,749	4,083	4,448	34,823
Acumulated # of PAID Users	18,693	20,585	22,645	24,890	27,334	29,997	32,898	36,058	39,499	43,248	47,332	51,780	
Revenue Forecast	\$ 93,464.48	\$ 102,922.81	\$ 113,225.40	\$ 124,447.62	\$ 136,671.53	\$ 149,986.56	\$ 164,490.10	\$ 180,288.23	\$ 197,496.52	\$ 216,240.84	\$ 236,658.29	\$ 258,898.21	\$ 1,974,790.59

Source: Elaborated by the author (2019).

Low Investment Scenario & Pessimistic Growth

YEAR 1	MONTH 1	MONTH 2	MONTH 3	MONTH 4	MONTH 5	MONTH 6	MONTH 7	MONTH 8	MONTH 9	MONTH 10	MONTH 11	MONTH 12	TOTAL YEAR 1
Monthly Users Obtained	1,972	2,060	2,152	2,248	2,348	2,453	2,562	2,677	2,796	2,921	3,051	3,187	30,425
Acumulated # Users	2,022	4,081	6,233	8,480	10,828	13,281	15,843	18,520	21,316	24,236	27,288	30,475	
Monthly Converted Users	112	117	122	127	133	139	145	151	158	165	173	180	1,722
Acumulated # of PAID Users	112	228	350	477	610	749	894	1,045	1,203	1,369	1,541	1,722	
Revenue Forecast	\$ 557.81	\$ 1,140.52	\$ 1,749.23	\$ 2,385.12	\$ 3,049.38	\$ 3,743.28	\$ 4,468.16	\$ 5,225.39	\$ 6,016.41	\$ 6,842.74	\$ 7,705.95	\$ 8,607.68	\$ 51,491.68

YEAR 2	MONTH 13	MONTH 14	MONTH 15	MONTH 16	MONTH 17	MONTH 18	MONTH 19	MONTH 20	MONTH 21	MONTH 22	MONTH 23	MONTH 24	TOTAL YEAR 2
Monthly Users Obtained	3,330	3,478	3,633	3,796	3,965	4,142	4,327	4,520	4,722	4,932	5,152	5,382	51,378
Acumulated # Users	33,804	37,282	40,916	44,711	48,676	52,818	57,145	61,665	66,386	71,318	76,471	81,853	
Monthly Converted Users	188	197	206	215	224	234	245	256	267	279	292	305	2,907
Acumulated # of PAID Users	1,910	2,107	2,312	2,527	2,751	2,986	3,231	3,486	3,754	4,033	4,324	4,629	
Revenue Forecast	\$ 9,549.66	\$ 10,533.67	\$ 11,561.61	\$ 12,635.42	\$ 13,757.15	\$ 14,928.95	\$ 16,153.05	\$ 17,431.78	\$ 18,767.58	\$ 20,163.00	\$ 21,620.69	\$ 23,143.44	\$ 190,246.00

YEAR 3	MONTH 25	MONTH 26	MONTH 27	MONTH 28	MONTH 29	MONTH 30	MONTH 31	MONTH 32	MONTH 33	MONTH 34	MONTH 35	MONTH 36	TOTAL YEAR 3
Monthly Users Obtained	5,623	5,873	6,136	6,409	6,696	6,994	7,307	7,633	7,973	8,329	8,701	9,089	86,762
Acumulated # Users	87,476	93,349	99,485	105,894	112,590	119,584	126,891	134,523	142,497	150,826	159,527	168,616	
Monthly Converted Users	318	332	347	363	379	396	413	432	451	471	492	514	4,909
Acumulated # of PAID Users	4,947	5,279	5,626	5,989	6,368	6,764	7,177	7,609	8,060	8,531	9,024	9,538	
Revenue Forecast	\$ 24,734.16	\$ 26,395.86	\$ 28,131.73	\$ 29,945.08	\$ 31,839.35	\$ 33,818.16	\$ 35,885.29	\$ 38,044.68	\$ 40,300.44	\$ 42,656.88	\$ 45,118.48	\$ 47,689.95	\$ 424,560.07

Source: Elaborated by the author (2019).

APENDIX C – FREE CASH FLOW STATEMENTS FOR ALL ANALYSIS SCENARIOS

High Investment Scenario & Optimistic Growth Year 1

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT													
HIGH SCENARIO															
GROWTH RATE	Preoperational	YEAR 1													Total Year 1
OPTIMISTIC GROWTH	Lage (Month 0)	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12		
Market %	0.0%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.02%	0.02%	0.02%	0.02%	0.03%	0.18%	
Market Growth	0	0	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	560%	
# of active users	50	7,937	8,943	10,140	11,498	13,037	14,782	16,762	19,006	21,551	24,436	27,708	31,418	207,216	
Revenue	\$ -	\$ 6,693.75	\$ 14,283.73	\$ 22,889.95	\$ 32,648.46	\$ 43,713.55	\$ 56,260.16	\$ 70,486.64	\$ 86,617.93	\$ 104,909.05	\$ 125,649.19	\$ 149,166.26	\$ 175,832.05	\$ 889,150.72	
- Cost of Revenue	\$ -	\$ (595.74)	\$ (1,271.25)	\$ (2,037.21)	\$ (2,905.71)	\$ (3,890.51)	\$ (5,007.15)	\$ (6,273.31)	\$ (7,709.00)	\$ (9,336.91)	\$ (11,182.78)	\$ (13,275.80)	\$ (15,649.05)	\$ (79,134.41)	
= Gross Profit	\$ -	\$ 6,098.01	\$ 13,012.48	\$ 20,852.74	\$ 29,742.75	\$ 39,823.04	\$ 51,253.00	\$ 64,213.33	\$ 78,908.93	\$ 95,572.15	\$ 114,466.42	\$ 135,890.46	\$ 160,183.00	\$ 810,016.31	
- Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
- SG&A	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (966,437.77)	
Administrative Expenses	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (56,400.00)	
Infrastructure Expenses	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (69,600.00)	
Marketing Expenses	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (390,437.65)	
Human Resources	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (450,000.12)	
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Earnings Before Tax	\$ (80,536.48)	\$ (74,438.47)	\$ (67,524.00)	\$ (59,683.74)	\$ (50,793.73)	\$ (40,713.44)	\$ (29,283.48)	\$ (16,323.15)	\$ (1,627.55)	\$ 15,035.67	\$ 33,929.94	\$ 55,353.98	\$ 79,646.52	\$ (156,421.46)	
- Tax (20.5%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,082.31)	\$ (6,955.64)	\$ (11,347.57)	\$ (16,327.54)	\$ (37,713.05)	
= Net Income	\$ (80,536.48)	\$ (74,438.47)	\$ (67,524.00)	\$ (59,683.74)	\$ (50,793.73)	\$ (40,713.44)	\$ (29,283.48)	\$ (16,323.15)	\$ (1,627.55)	\$ 11,953.35	\$ 26,974.30	\$ 44,006.41	\$ 63,318.98	\$ (194,134.51)	
+ Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Cash Flow from Operations	\$ (80,536.48)	\$ (74,438.47)	\$ (67,524.00)	\$ (59,683.74)	\$ (50,793.73)	\$ (40,713.44)	\$ (29,283.48)	\$ (16,323.15)	\$ (1,627.55)	\$ 11,953.35	\$ 26,974.30	\$ 44,006.41	\$ 63,318.98	\$ (194,134.51)	
- Acquisition of New equipment PP&E	\$ -	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (90,000.01)	
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Free Cash Flow	\$ (80,536.48)	\$ (81,938.48)	\$ (75,024.00)	\$ (67,183.74)	\$ (58,293.74)	\$ (48,213.44)	\$ (36,783.48)	\$ (23,823.15)	\$ (9,127.55)	\$ 4,453.35	\$ 19,474.30	\$ 36,506.41	\$ 55,818.98	\$ (284,134.52)	
Acumulated FCF	\$ (80,536.48)	\$ (162,474.96)	\$ (237,498.96)	\$ (304,682.70)	\$ (362,976.43)	\$ (411,189.87)	\$ (447,973.35)	\$ (471,796.50)	\$ (480,924.05)	\$ (476,470.70)	\$ (456,996.40)	\$ (420,489.98)	\$ (364,671.01)		
EBTIDA	\$ (80,536.48)	\$ (74,438.47)	\$ (67,524.00)	\$ (59,683.74)	\$ (50,793.73)	\$ (40,713.44)	\$ (29,283.48)	\$ (16,323.15)	\$ (1,627.55)	\$ 15,035.67	\$ 33,929.94	\$ 55,353.98	\$ 79,646.52	\$ (156,421.46)	

Source: Elaborated by the author (2019).

High Investment Scenario & Optimistic Growth Year 2

FREE CASH FLOW STATEMENT

MARKETING INVESTMENT SCENARIOS														
HIGH SCENARIO														
GROWTH RATE		YEAR 2												
OTIMISTIC GROWTH		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Total Year 2
Market %		0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.8%
Market Growth		13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	161%
# of active users		35,624	40,394	45,803	51,935	58,889	66,773	75,714	85,851	97,346	110,380	125,159	141,916	935,784
Revenue		\$ 206,068.15	\$ 240,352.60	\$ 279,227.44	\$ 323,307.27	\$ 373,289.00	\$ 429,962.83	\$ 494,224.80	\$ 567,090.87	\$ 649,713.07	\$ 743,397.64	\$ 849,625.75	\$ 970,076.86	\$ 6,126,336.27
- Cost of Revenue		\$ (18,340.07)	\$ (21,391.38)	\$ (24,851.24)	\$ (28,774.35)	\$ (33,222.72)	\$ (38,266.69)	\$ (43,986.01)	\$ (50,471.09)	\$ (57,824.46)	\$ (66,162.39)	\$ (75,616.69)	\$ (86,336.84)	\$ (545,243.93)
= Gross Profit		\$ 187,728.09	\$ 218,961.22	\$ 254,376.19	\$ 294,532.92	\$ 340,066.27	\$ 391,696.14	\$ 450,238.79	\$ 516,619.78	\$ 591,888.60	\$ 677,235.25	\$ 774,009.06	\$ 883,740.02	\$ 5,581,092.34
- Depreciation		\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (49,500.01)
- SG&A		\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (1,194,437.77)
Administrative Expenses		\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (114,000.00)
Infrastructure Expenses		\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (120,000.00)
Marketing Expenses		\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (390,437.65)
Human Resources		\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (570,000.12)
- Interest		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax		\$ 84,066.61	\$ 115,299.74	\$ 150,714.71	\$ 190,871.44	\$ 236,404.79	\$ 288,034.66	\$ 346,577.31	\$ 412,958.30	\$ 488,227.12	\$ 573,573.77	\$ 670,347.58	\$ 780,078.54	\$ 4,337,154.57
- Tax (20.5%)		\$ (17,233.65)	\$ (23,636.45)	\$ (30,896.52)	\$ (39,128.64)	\$ (48,462.98)	\$ (59,047.11)	\$ (71,048.35)	\$ (84,656.45)	\$ (100,086.56)	\$ (117,582.62)	\$ (137,421.25)	\$ (159,916.10)	\$ (889,116.69)
= Net Income		\$ 66,832.95	\$ 91,663.29	\$ 119,818.20	\$ 151,742.79	\$ 187,941.81	\$ 228,987.56	\$ 275,528.96	\$ 328,301.85	\$ 388,140.56	\$ 455,991.15	\$ 532,926.32	\$ 620,162.44	\$ 3,448,037.88
+ Depreciation		\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 49,500.01
= Cash Flow from Operations		\$ 70,957.95	\$ 95,788.29	\$ 123,943.20	\$ 155,867.79	\$ 192,066.81	\$ 233,112.56	\$ 279,653.96	\$ 332,426.85	\$ 392,265.56	\$ 460,116.15	\$ 537,051.32	\$ 624,287.44	\$ 3,497,537.89
- Acquisition of New equipment PP&E		\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (185,000.03)
- Changes in Working Capital		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow		\$ 55,541.28	\$ 80,371.62	\$ 108,526.53	\$ 140,451.13	\$ 176,650.14	\$ 217,695.89	\$ 264,237.29	\$ 317,010.18	\$ 376,848.89	\$ 444,699.48	\$ 521,634.65	\$ 608,870.77	\$ 3,312,537.86
Acumulated FCF		\$ (309,129.72)	\$ (228,758.10)	\$ (120,231.57)	\$ 20,219.56	\$ 196,869.70	\$ 414,565.58	\$ 678,802.88	\$ 995,813.06	\$ 1,372,661.95	\$ 1,817,361.43	\$ 2,338,996.09	\$ 2,947,866.85	
EBTIDA		\$ 88,191.61	\$ 119,424.74	\$ 154,839.71	\$ 194,996.44	\$ 240,529.79	\$ 292,159.66	\$ 350,702.31	\$ 417,083.30	\$ 492,352.12	\$ 577,698.77	\$ 674,472.58	\$ 784,203.54	\$ 4,386,654.57

Source: Elaborated by the author (2019).

High Investment Scenario & Optimistic Growth Year 3

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
HIGH SCENARIO														
GROWTH RATE		YEAR 3												
OTIMISTIC GROWTH		Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	Total Year 3
Market %		0.1%	0.2%	0.2%	0.2%	0.2%	0.3%	0.3%	0.3%	0.4%	0.4%	0.5%	0.6%	3.7%
Market Growth		13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	161%
# of active users		160,917	182,463	206,893	234,594	266,004	301,620	342,004	387,796	439,718	498,592	565,349	641,045	4,226,996
Revenue		\$ 1,106,655.31	\$ 1,261,520.40	\$ 1,437,120.56	\$ 1,636,232.02	\$ 1,862,002.74	\$ 2,118,002.16	\$ 2,408,277.64	\$ 2,737,418.43	\$ 3,110,628.26	\$ 3,533,807.58	\$ 4,013,646.86	\$ 4,557,732.37	\$ 29,783,044.31
- Cost of Revenue		\$ (98,492.32)	\$ (112,275.32)	\$ (127,903.73)	\$ (145,624.65)	\$ (165,718.24)	\$ (188,502.19)	\$ (214,336.71)	\$ (243,630.24)	\$ (276,845.92)	\$ (314,508.87)	\$ (357,214.57)	\$ (405,638.18)	\$ (2,650,690.94)
= Gross Profit		\$ 1,008,162.98	\$ 1,149,245.08	\$ 1,309,216.83	\$ 1,490,607.37	\$ 1,696,284.50	\$ 1,929,499.97	\$ 2,193,940.93	\$ 2,493,788.19	\$ 2,833,782.34	\$ 3,219,298.70	\$ 3,656,432.29	\$ 4,152,094.19	\$ 27,132,353.37
- Depreciation		\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (128,975.02)
- SG&A		\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (2,325,237.85)
Administrative Expenses		\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (230,400.00)
Infrastructure Expenses		\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (194,400.00)
Marketing Expenses		\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (390,437.65)
Human Resources		\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (1,510,000.20)
- Interest		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax		\$ 803,645.25	\$ 944,727.34	\$ 1,104,699.09	\$ 1,286,089.63	\$ 1,491,766.76	\$ 1,724,982.23	\$ 1,989,423.19	\$ 2,289,270.45	\$ 2,629,264.61	\$ 3,014,780.96	\$ 3,451,914.55	\$ 3,947,576.45	\$ 24,678,140.50
- Tax (20.5%)		\$ (164,747.28)	\$ (193,669.11)	\$ (226,463.31)	\$ (263,648.37)	\$ (305,812.19)	\$ (353,621.36)	\$ (407,831.75)	\$ (469,300.44)	\$ (538,999.24)	\$ (618,030.10)	\$ (707,642.48)	\$ (809,253.17)	\$ (5,059,018.80)
= Net Income		\$ 638,897.97	\$ 751,058.24	\$ 878,235.77	\$ 1,022,441.25	\$ 1,185,954.57	\$ 1,371,360.87	\$ 1,581,591.44	\$ 1,819,970.01	\$ 2,090,265.36	\$ 2,396,750.87	\$ 2,744,272.07	\$ 3,138,323.28	\$ 19,619,121.70
+ Depreciation		\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 128,975.02
= Cash Flow from Operations		\$ 649,645.89	\$ 761,806.16	\$ 888,983.69	\$ 1,033,189.17	\$ 1,196,702.49	\$ 1,382,108.79	\$ 1,592,339.35	\$ 1,830,717.93	\$ 2,101,013.28	\$ 2,407,498.78	\$ 2,755,019.98	\$ 3,149,071.19	\$ 19,748,096.72
- Acquisition of New equipment PP&E		\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (240,000.04)
- Changes in Working Capital		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow		\$ 629,645.89	\$ 741,806.15	\$ 868,983.69	\$ 1,013,189.17	\$ 1,176,702.49	\$ 1,362,108.79	\$ 1,572,339.35	\$ 1,810,717.92	\$ 2,081,013.28	\$ 2,387,498.78	\$ 2,735,019.98	\$ 3,129,071.19	\$ 19,508,096.68
Acumulated FCF		\$ 3,577,512.74	\$ 4,319,318.89	\$ 5,188,302.58	\$ 6,201,491.75	\$ 7,378,194.24	\$ 8,740,303.03	#####	\$ 12,123,360.30	\$ 14,204,373.58	\$ 16,591,872.36	\$ 19,326,892.34	\$ 22,455,963.54	
EBTIDA		\$ 814,393.16	\$ 955,475.26	\$ 1,115,447.01	\$ 1,296,837.55	\$ 1,502,514.67	\$ 1,735,730.15	\$ 2,000,171.11	\$ 2,300,018.37	\$ 2,640,012.52	\$ 3,025,528.88	\$ 3,462,662.47	\$ 3,958,324.37	\$ 24,807,115.52

Source: Elaborated by the author (2019).

High Investment Scenario & Pessimistic Growth Year 1

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT													
HIGH SCENARIO															
GROWTH RATE	Preoperational	YEAR 1												Total Year 1	
PESSIMISTIC GROWTH	Stage (Month 0)	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12		
Market %	0.0%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.11%
Market Growth	0	0	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	855%
# of active users	50	7,937	8,239	8,606	8,990	9,392	9,811	10,249	10,706	11,184	11,683	12,204	12,749	121,749	
Revenue	\$ -	\$ 2,231.25	\$ 4,562.08	\$ 6,996.94	\$ 9,540.46	\$ 12,197.51	\$ 14,973.14	\$ 17,872.65	\$ 20,901.56	\$ 24,065.65	\$ 27,370.96	\$ 30,823.79	\$ 34,430.72	\$ 205,966.71	
- Cost of Revenue	\$ -	\$ (198.58)	\$ (406.03)	\$ (622.73)	\$ (849.10)	\$ (1,085.58)	\$ (1,332.61)	\$ (1,590.67)	\$ (1,860.24)	\$ (2,141.84)	\$ (2,436.02)	\$ (2,743.32)	\$ (3,064.33)	\$ (18,331.04)	
= Gross Profit	\$ -	\$ 2,032.67	\$ 4,156.06	\$ 6,374.21	\$ 8,691.36	\$ 11,111.93	\$ 13,640.53	\$ 16,281.98	\$ 19,041.32	\$ 21,923.81	\$ 24,934.95	\$ 28,080.47	\$ 31,366.38	\$ 187,635.67	
- Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
- SG&A	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (80,536.48)	\$ (966,437.77)
Administrative Expenses	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (56,400.00)
Infrastructure Expenses	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (69,600.00)
Marketing Expenses	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (390,437.65)
Human Resources	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (450,000.12)
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Earnings Before Tax	\$ (80,536.48)	\$ (78,503.81)	\$ (76,380.42)	\$ (74,162.27)	\$ (71,845.12)	\$ (69,424.55)	\$ (66,895.95)	\$ (64,254.50)	\$ (61,495.16)	\$ (58,612.67)	\$ (55,601.53)	\$ (52,456.01)	\$ (49,170.10)	\$ (778,802.10)	
- Tax (20.5%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Net Income	\$ (80,536.48)	\$ (78,503.81)	\$ (76,380.42)	\$ (74,162.27)	\$ (71,845.12)	\$ (69,424.55)	\$ (66,895.95)	\$ (64,254.50)	\$ (61,495.16)	\$ (58,612.67)	\$ (55,601.53)	\$ (52,456.01)	\$ (49,170.10)	\$ (778,802.10)	
+ Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Cash Flow from Operations	\$ (80,536.48)	\$ (78,503.81)	\$ (76,380.42)	\$ (74,162.27)	\$ (71,845.12)	\$ (69,424.55)	\$ (66,895.95)	\$ (64,254.50)	\$ (61,495.16)	\$ (58,612.67)	\$ (55,601.53)	\$ (52,456.01)	\$ (49,170.10)	\$ (778,802.10)	
- Acquisition of New equipment PP&E	\$ -	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (90,000.01)
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Free Cash Flow	\$ (80,536.48)	\$ (86,003.81)	\$ (83,880.43)	\$ (81,662.27)	\$ (79,345.12)	\$ (76,924.55)	\$ (74,395.95)	\$ (71,754.50)	\$ (68,995.16)	\$ (66,112.67)	\$ (63,101.54)	\$ (59,956.01)	\$ (56,670.10)	\$ (868,802.11)	
Acumulated FCF	\$ (80,536.48)	\$ (166,540.29)	\$ (250,420.72)	\$ (332,082.99)	\$ (411,428.11)	\$ (488,352.66)	\$ (562,748.61)	\$ (634,503.11)	\$ (703,498.28)	\$ (769,610.95)	\$ (832,712.48)	\$ (892,668.49)	\$ (949,338.59)	\$ (1,008,140.70)	
EBTIDA	\$ (80,536.48)	\$ (78,503.81)	\$ (76,380.42)	\$ (74,162.27)	\$ (71,845.12)	\$ (69,424.55)	\$ (66,895.95)	\$ (64,254.50)	\$ (61,495.16)	\$ (58,612.67)	\$ (55,601.53)	\$ (52,456.01)	\$ (49,170.10)	\$ (778,802.10)	

Source: Elaborated by the author (2019).

High Investment Scenario & Pessimistic Growth Year 2

FREE CASH FLOW STATEMENT

MARKETING INVESTMENT SCENARIOS		YEAR 2												Total Year 2
HIGH SCENARIO		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	
GROWTH RATE														
PESSIMISTIC GROWTH														
Market %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
Market Growth	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	54%
# of active users	13,318	13,912	14,533	15,182	15,860	16,567	17,307	18,079	18,886	19,729	20,610	21,529	22,513	205,513
Revenue	\$ 38,198.62	\$ 42,134.69	\$ 46,246.43	\$ 50,541.67	\$ 55,028.62	\$ 59,715.82	\$ 64,612.20	\$ 69,727.12	\$ 75,070.32	\$ 80,651.99	\$ 86,482.77	\$ 92,573.77	\$ 99,255.13	\$ 760,984.02
- Cost of Revenue	\$ (3,399.68)	\$ (3,749.99)	\$ (4,115.93)	\$ (4,498.21)	\$ (4,897.55)	\$ (5,314.71)	\$ (5,750.49)	\$ (6,205.71)	\$ (6,681.26)	\$ (7,178.03)	\$ (7,696.97)	\$ (8,239.07)	\$ (8,811.13)	\$ (67,727.58)
= Gross Profit	\$ 34,798.94	\$ 38,384.70	\$ 42,130.50	\$ 46,043.46	\$ 50,131.07	\$ 54,401.11	\$ 58,861.72	\$ 63,521.41	\$ 68,389.06	\$ 73,473.96	\$ 78,785.80	\$ 84,334.71	\$ 90,444.00	\$ 693,256.44
- Depreciation	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (49,500.01)
- SG&A	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (99,536.48)	\$ (1,194,437.77)
Administrative Expenses	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (114,000.00)
Infrastructure Expenses	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (120,000.00)
Marketing Expenses	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (390,437.65)
Human Resources	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (570,000.12)
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax	\$ (68,862.54)	\$ (65,276.78)	\$ (61,530.99)	\$ (57,618.02)	\$ (53,530.41)	\$ (49,260.37)	\$ (44,799.76)	\$ (40,140.07)	\$ (35,272.42)	\$ (30,187.52)	\$ (24,875.68)	\$ (19,326.77)	\$ (13,750.00)	\$ (550,681.33)
- Tax (20.5%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Net Income	\$ (68,862.54)	\$ (65,276.78)	\$ (61,530.99)	\$ (57,618.02)	\$ (53,530.41)	\$ (49,260.37)	\$ (44,799.76)	\$ (40,140.07)	\$ (35,272.42)	\$ (30,187.52)	\$ (24,875.68)	\$ (19,326.77)	\$ (13,750.00)	\$ (550,681.33)
+ Depreciation	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 49,500.01
= Cash Flow from Operations	\$ (64,737.54)	\$ (61,151.78)	\$ (57,405.99)	\$ (53,493.02)	\$ (49,405.41)	\$ (45,135.37)	\$ (40,674.76)	\$ (36,015.07)	\$ (31,147.42)	\$ (26,062.52)	\$ (20,750.68)	\$ (15,201.77)	\$ (9,625.00)	\$ (501,181.33)
- Acquisition of New equipment PP&E	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (185,000.03)
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow	\$ (80,154.21)	\$ (76,568.45)	\$ (72,822.65)	\$ (68,909.69)	\$ (64,822.08)	\$ (60,552.04)	\$ (56,091.43)	\$ (51,431.74)	\$ (46,564.09)	\$ (41,479.19)	\$ (36,167.35)	\$ (30,618.44)	\$ (24,875.00)	\$ (686,181.36)
Acumulated FCF	\$ (1,029,492.80)	\$ (1,106,061.25)	\$ (1,178,883.90)	\$ (1,247,793.59)	\$ (1,312,615.67)	\$ (1,373,167.71)	\$ (1,429,259.14)	\$ (1,480,690.88)	\$ (1,527,254.97)	\$ (1,568,734.16)	\$ (1,604,901.51)	\$ (1,635,519.95)	\$ (1,661,500.00)	\$ (1,686,181.36)
EBTIDA	\$ (64,737.54)	\$ (61,151.78)	\$ (57,405.99)	\$ (53,493.02)	\$ (49,405.41)	\$ (45,135.37)	\$ (40,674.76)	\$ (36,015.07)	\$ (31,147.42)	\$ (26,062.52)	\$ (20,750.68)	\$ (15,201.77)	\$ (9,625.00)	\$ (501,181.33)

Source: Elaborated by the author (2019).

High Investment Scenario & Pessimistic Growth Year 3

MARKETING INVESTMENT SCENARIOS													
FREE CASH FLOW STATEMENT													
HIGH SCENARIO													
GROWTH RATE													
YEAR 3													
PESSIMISTIC GROWTH													
	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	Total Year 3
Market %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
Market Growth	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	54%
# of active users	22,490	23,494	24,543	25,638	26,782	27,977	29,226	30,530	31,893	33,316	34,803	36,357	347,050
Revenue	\$ 98,936.63	\$ 105,583.46	\$ 112,526.94	\$ 119,780.31	\$ 127,357.40	\$ 135,272.66	\$ 143,541.18	\$ 152,178.72	\$ 161,201.77	\$ 170,627.51	\$ 180,473.93	\$ 190,759.80	\$ 1,698,240.29
- Cost of Revenue	\$ (8,805.36)	\$ (9,396.93)	\$ (10,014.90)	\$ (10,660.45)	\$ (11,334.81)	\$ (12,039.27)	\$ (12,775.16)	\$ (13,543.91)	\$ (14,346.96)	\$ (15,185.85)	\$ (16,062.18)	\$ (16,977.62)	\$ (151,143.39)
= Gross Profit	\$ 90,131.27	\$ 96,186.53	\$ 102,512.04	\$ 109,119.86	\$ 116,022.59	\$ 123,233.39	\$ 130,766.01	\$ 138,634.82	\$ 146,854.81	\$ 155,441.66	\$ 164,411.75	\$ 173,782.18	\$ 1,547,096.91
- Depreciation	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (128,975.02)
- SG&A	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (193,769.82)	\$ (2,325,237.85)
Administrative Expenses	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (230,400.00)
Infrastructure Expenses	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (194,400.00)
Marketing Expenses	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (32,536.47)	\$ (390,437.65)
Human Resources	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (1,510,000.20)
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax	\$ (114,386.47)	\$ (108,331.21)	\$ (102,005.70)	\$ (95,397.88)	\$ (88,495.15)	\$ (81,284.35)	\$ (73,751.73)	\$ (65,882.92)	\$ (57,662.93)	\$ (49,076.07)	\$ (40,105.99)	\$ (30,735.56)	\$ (907,115.96)
- Tax (20.5%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Net Income	\$ (114,386.47)	\$ (108,331.21)	\$ (102,005.70)	\$ (95,397.88)	\$ (88,495.15)	\$ (81,284.35)	\$ (73,751.73)	\$ (65,882.92)	\$ (57,662.93)	\$ (49,076.07)	\$ (40,105.99)	\$ (30,735.56)	\$ (907,115.96)
+ Depreciation	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 128,975.02
= Cash Flow from Operations	\$ (103,638.55)	\$ (97,583.29)	\$ (91,257.78)	\$ (84,649.96)	\$ (77,747.23)	\$ (70,536.43)	\$ (63,003.81)	\$ (55,135.00)	\$ (46,915.01)	\$ (38,328.16)	\$ (29,358.07)	\$ (19,987.64)	\$ (778,140.94)
- Acquisition of New equipment PP&E	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (240,000.04)
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow	\$ (123,638.56)	\$ (117,583.30)	\$ (111,257.79)	\$ (104,649.97)	\$ (97,747.24)	\$ (90,536.43)	\$ (83,003.81)	\$ (75,135.01)	\$ (66,915.01)	\$ (58,328.16)	\$ (49,358.07)	\$ (39,987.64)	\$ (1,018,140.98)
Acumulated FCF	\$ (1,759,158.51)	\$ (1,876,741.80)	\$ (1,987,999.59)	\$ (2,092,649.55)	\$ (2,190,396.79)	\$ (2,280,933.22)	\$ (2,363,937.03)	\$ (2,439,072.04)	\$ (2,505,987.06)	\$ (2,564,315.21)	\$ (2,613,673.28)	\$ (2,653,660.93)	
EBTIDA	\$ (103,638.55)	\$ (97,583.29)	\$ (91,257.78)	\$ (84,649.96)	\$ (77,747.23)	\$ (70,536.43)	\$ (63,003.81)	\$ (55,135.00)	\$ (46,915.01)	\$ (38,328.16)	\$ (29,358.07)	\$ (19,987.64)	\$ (778,140.94)

Source: Elaborated by the author (2019).

Regular Investment Scenario & Optimistic Growth Year 1

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
REGULAR SCENARIO														
GROWTH RATE	Preoperational Stage (Month 0)	YEAR 1												Total Year 1
OTIMISTIC GROWTH		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Market %	0.0%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.09%
Market Growth	0	0	12%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	560%
# of active users	50	3,993	4,471	5,070	5,749	6,518	7,391	8,381	9,503	10,775	12,218	13,854	15,709	103,633
Revenue	\$ -	\$ 3,346.87	\$ 7,141.87	\$ 11,444.97	\$ 16,324.23	\$ 21,856.77	\$ 28,130.08	\$ 35,243.32	\$ 43,308.96	\$ 52,454.53	\$ 62,824.60	\$ 74,583.13	\$ 87,916.02	\$ 444,575.36
- Cost of Revenue	\$ -	\$ (297.87)	\$ (635.63)	\$ (1,018.60)	\$ (1,452.86)	\$ (1,945.25)	\$ (2,503.58)	\$ (3,136.66)	\$ (3,854.50)	\$ (4,668.45)	\$ (5,591.39)	\$ (6,637.90)	\$ (7,824.53)	\$ (39,567.21)
= Gross Profit	\$ -	\$ 3,049.00	\$ 6,506.24	\$ 10,426.37	\$ 14,871.37	\$ 19,911.52	\$ 25,626.50	\$ 32,106.67	\$ 39,454.47	\$ 47,786.07	\$ 57,233.21	\$ 67,945.23	\$ 80,091.50	\$ 405,008.15
- Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- SG&A	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (771,218.94)
Administrative Expenses	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (56,400.00)
Infrastructure Expenses	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (69,600.00)
Marketing Expenses	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (195,218.82)
Human Resources	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (450,000.12)
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax	\$ (64,268.25)	\$ (61,219.24)	\$ (57,762.00)	\$ (53,841.87)	\$ (49,396.87)	\$ (44,356.72)	\$ (38,641.74)	\$ (32,161.58)	\$ (24,813.78)	\$ (16,482.17)	\$ (7,035.04)	\$ 3,676.99	\$ 15,823.25	\$ (366,210.79)
- Tax (20.5%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (753.78)	\$ (3,243.77)	\$ (3,997.55)
= Net Income	\$ (64,268.25)	\$ (61,219.24)	\$ (57,762.00)	\$ (53,841.87)	\$ (49,396.87)	\$ (44,356.72)	\$ (38,641.74)	\$ (32,161.58)	\$ (24,813.78)	\$ (16,482.17)	\$ (7,035.04)	\$ 2,923.20	\$ 12,579.49	\$ (370,208.34)
+ Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Cash Flow from Operations	\$ (64,268.25)	\$ (61,219.24)	\$ (57,762.00)	\$ (53,841.87)	\$ (49,396.87)	\$ (44,356.72)	\$ (38,641.74)	\$ (32,161.58)	\$ (24,813.78)	\$ (16,482.17)	\$ (7,035.04)	\$ 2,923.20	\$ 12,579.49	\$ (370,208.34)
- Acquisition of New equipment PP&E	\$ -	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (90,000.01)
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow	\$ (64,268.25)	\$ (68,719.24)	\$ (65,262.01)	\$ (61,341.87)	\$ (56,896.87)	\$ (51,856.72)	\$ (46,141.75)	\$ (39,661.58)	\$ (32,313.78)	\$ (23,982.17)	\$ (14,535.04)	\$ (4,576.80)	\$ 5,079.49	\$ (460,208.35)
Accumulated FCF	\$ (64,268.25)	\$ (132,987.49)	\$ (198,249.49)	\$ (259,591.37)	\$ (316,488.24)	\$ (368,344.97)	\$ (414,486.71)	\$ (454,148.29)	\$ (486,462.07)	\$ (510,444.25)	\$ (524,979.28)	\$ (529,556.08)	\$ (524,476.60)	
EBTIDA	\$ (64,268.25)	\$ (61,219.24)	\$ (57,762.00)	\$ (53,841.87)	\$ (49,396.87)	\$ (44,356.72)	\$ (38,641.74)	\$ (32,161.58)	\$ (24,813.78)	\$ (16,482.17)	\$ (7,035.04)	\$ 3,676.99	\$ 15,823.25	\$ (366,210.79)

Source: Elaborated by the author (2019).

Regular Investment Scenario & Optimistic Growth Year 2

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
REGULAR SCENARIO														
GROWTH RATE		YEAR 2												Total Year 2
OTIMISTIC GROWTH		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	
Market %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.4%
Market Growth	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	161%
# of active users	17,812	20,197	22,901	25,968	29,444	33,387	37,857	42,926	48,673	55,190	62,579	70,958	467,892	
Revenue	\$ 103,034.08	\$ 120,176.30	\$ 139,613.72	\$ 161,653.63	\$ 186,644.50	\$ 214,981.42	\$ 247,112.40	\$ 283,545.44	\$ 324,856.53	\$ 371,698.82	\$ 424,812.87	\$ 485,038.43	\$ 3,063,168.14	
- Cost of Revenue	\$ (9,170.03)	\$ (10,695.69)	\$ (12,425.62)	\$ (14,387.17)	\$ (16,611.36)	\$ (19,133.35)	\$ (21,993.00)	\$ (25,235.54)	\$ (28,912.23)	\$ (33,081.19)	\$ (37,808.35)	\$ (43,168.42)	\$ (272,621.96)	
= Gross Profit	\$ 93,864.04	\$ 109,480.61	\$ 127,188.10	\$ 147,266.46	\$ 170,033.14	\$ 195,848.07	\$ 225,119.40	\$ 258,309.89	\$ 295,944.30	\$ 338,617.62	\$ 387,004.53	\$ 441,870.01	\$ 2,790,546.17	
- Depreciation	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (49,500.01)	
- SG&A	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (999,218.94)	
Administrative Expenses	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (114,000.00)	
Infrastructure Expenses	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (120,000.00)	
Marketing Expenses	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (195,218.82)	
Human Resources	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (570,000.12)	
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Earnings Before Tax	\$ 6,470.80	\$ 22,087.36	\$ 39,794.85	\$ 59,873.21	\$ 82,639.89	\$ 108,454.83	\$ 137,726.15	\$ 170,916.65	\$ 208,551.06	\$ 251,224.38	\$ 299,611.28	\$ 354,476.76	\$ 1,741,827.22	
- Tax (20.5%)	\$ (1,326.51)	\$ (4,527.91)	\$ (8,157.94)	\$ (12,274.01)	\$ (16,941.18)	\$ (22,233.24)	\$ (28,233.86)	\$ (35,037.91)	\$ (42,752.97)	\$ (51,501.00)	\$ (61,420.31)	\$ (72,667.74)	\$ (357,074.58)	
= Net Income	\$ 5,144.28	\$ 17,559.45	\$ 31,636.91	\$ 47,599.21	\$ 65,698.71	\$ 86,221.59	\$ 109,492.29	\$ 135,878.73	\$ 165,798.09	\$ 199,723.38	\$ 238,190.97	\$ 281,809.03	\$ 1,384,752.64	
+ Depreciation	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 49,500.01	
= Cash Flow from Operations	\$ 9,269.28	\$ 21,684.46	\$ 35,761.91	\$ 51,724.21	\$ 69,823.71	\$ 90,346.59	\$ 113,617.29	\$ 140,003.73	\$ 169,923.09	\$ 203,848.38	\$ 242,315.97	\$ 285,934.03	\$ 1,434,252.65	
- Acquisition of New equipment PP&E	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (185,000.03)	
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Free Cash Flow	\$ (6,147.38)	\$ 6,267.79	\$ 20,345.24	\$ 36,307.54	\$ 54,407.05	\$ 74,929.92	\$ 98,200.62	\$ 124,587.07	\$ 154,506.42	\$ 188,431.71	\$ 226,899.30	\$ 270,517.36	\$ 1,249,252.62	
Acumulated FCF	\$ (530,623.98)	\$ (524,356.20)	\$ (504,010.96)	\$ (467,703.42)	\$ (413,296.38)	\$ (338,366.46)	\$ (240,165.84)	\$ (115,578.77)	\$ 38,927.65	\$ 227,359.36	\$ 454,258.66	\$ 724,776.02	\$ 1,249,252.62	
EBTIDA	\$ 10,595.80	\$ 26,212.36	\$ 43,919.85	\$ 63,998.21	\$ 86,764.89	\$ 112,579.83	\$ 141,851.15	\$ 175,041.65	\$ 212,676.06	\$ 255,349.38	\$ 303,736.28	\$ 358,601.76	\$ 1,791,327.23	

Source: Elaborated by the author (2019).

Regular Investment Scenario & Optimistic Growth Year 3

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
REGULAR SCENARIO		YEAR 3												
GROWTH RATE		YEAR 3												Total Year 3
OTIMISTIC GROWTH		Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	Total Year 3
Market %	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%	0.2%	0.2%	0.2%	0.2%	0.3%	1.9%
Market Growth	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	161%
# of active users	80,459	91,231	103,447	117,297	133,002	150,810	171,002	193,898	219,859	249,296	282,675	320,522	2,113,498	
Revenue	\$ 553,327.65	\$ 630,760.20	\$ 718,560.28	\$ 818,116.01	\$ 931,001.37	\$ 1,059,001.08	\$ 1,204,138.82	\$ 1,368,709.22	\$ 1,555,314.13	\$ 1,766,903.79	\$ 2,006,823.43	\$ 2,278,866.18	\$ 14,891,522.16	
- Cost of Revenue	\$ (49,246.16)	\$ (56,137.66)	\$ (63,951.86)	\$ (72,812.32)	\$ (82,859.12)	\$ (94,251.10)	\$ (107,168.35)	\$ (121,815.12)	\$ (138,422.96)	\$ (157,254.44)	\$ (178,607.29)	\$ (202,819.09)	\$ (1,325,345.47)	
= Gross Profit	\$ 504,081.49	\$ 574,622.54	\$ 654,608.41	\$ 745,303.68	\$ 848,142.25	\$ 964,749.98	\$ 1,096,970.46	\$ 1,246,894.10	\$ 1,416,891.17	\$ 1,609,649.35	\$ 1,828,216.14	\$ 2,076,047.09	\$ 13,566,176.68	
- Depreciation	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (128,975.02)	
- SG&A	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (2,130,019.02)	
Administrative Expenses	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (230,400.00)	
Infrastructure Expenses	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (194,400.00)	
Marketing Expenses	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (195,218.82)	
Human Resources	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (1,510,000.20)	
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Earnings Before Tax	\$ 315,831.99	\$ 386,373.04	\$ 466,358.91	\$ 557,054.18	\$ 659,892.74	\$ 776,500.48	\$ 908,720.96	\$ 1,058,644.59	\$ 1,228,641.67	\$ 1,421,399.85	\$ 1,639,966.64	\$ 1,887,797.59	\$ 11,307,182.64	
- Tax (20.5%)	\$ (64,745.56)	\$ (79,206.47)	\$ (95,603.58)	\$ (114,196.11)	\$ (135,278.01)	\$ (159,182.60)	\$ (186,287.80)	\$ (217,022.14)	\$ (251,871.54)	\$ (291,386.97)	\$ (336,193.16)	\$ (386,998.51)	\$ (2,317,972.44)	
= Net Income	\$ 251,086.43	\$ 307,166.57	\$ 370,755.33	\$ 442,858.07	\$ 524,614.73	\$ 617,317.88	\$ 722,433.16	\$ 841,622.45	\$ 976,770.13	\$ 1,130,012.88	\$ 1,303,773.48	\$ 1,500,799.08	\$ 8,989,210.20	
+ Depreciation	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 128,975.02	
= Cash Flow from Operations	\$ 261,834.35	\$ 317,914.48	\$ 381,503.25	\$ 453,605.99	\$ 535,362.65	\$ 628,065.80	\$ 733,181.08	\$ 852,370.37	\$ 987,518.04	\$ 1,140,760.80	\$ 1,314,521.40	\$ 1,511,547.00	\$ 9,118,185.22	
- Acquisition of New equipment PP&E	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (240,000.04)	
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Free Cash Flow	\$ 241,834.35	\$ 297,914.48	\$ 361,503.25	\$ 433,605.99	\$ 515,362.65	\$ 608,065.80	\$ 713,181.08	\$ 832,370.37	\$ 967,518.04	\$ 1,120,760.79	\$ 1,294,521.39	\$ 1,491,547.00	\$ 8,878,185.18	
Acumulated FCF	\$ 966,610.37	\$ 1,264,524.85	\$ 1,626,028.10	\$ 2,059,634.08	\$ 2,574,996.73	\$ 3,183,062.53	\$ 3,896,243.61	\$ 4,728,613.97	\$ 5,696,132.02	\$ 6,816,892.81	\$ 8,111,414.20	\$ 9,602,961.20	\$ -	
EBTIDA	\$ 326,579.91	\$ 397,120.96	\$ 477,106.83	\$ 567,802.10	\$ 670,640.66	\$ 787,248.40	\$ 919,468.88	\$ 1,069,392.51	\$ 1,239,389.59	\$ 1,432,147.77	\$ 1,650,714.56	\$ 1,898,545.51	\$ 11,436,157.66	

Source: Elaborated by the author (2019).

Regular Investment Scenario & Normal Growth Year 1

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT													
REGULAR SCENARIO															
GROWTH RATE		Preoperational Stage (Month 0)	YEAR 1												Total Year 1
NORMAL GROWTH			Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Market %	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.07%
Market Growth	0	0	8%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	683%
# of active users	50	3,993	4,295	4,679	5,096	5,551	6,047	6,586	7,174	7,815	8,512	9,272	10,100	79,121	
Revenue	\$ -	\$ 2,231.25	\$ 4,661.66	\$ 7,309.02	\$ 10,192.67	\$ 13,333.73	\$ 16,755.16	\$ 20,481.99	\$ 24,541.48	\$ 28,963.32	\$ 33,779.85	\$ 39,026.32	\$ 44,741.09	\$ 246,017.53	
- Cost of Revenue	\$ -	\$ (198.58)	\$ (414.89)	\$ (650.50)	\$ (907.15)	\$ (1,186.70)	\$ (1,491.21)	\$ (1,822.90)	\$ (2,184.19)	\$ (2,577.74)	\$ (3,006.41)	\$ (3,473.34)	\$ (3,981.96)	\$ (21,895.56)	
= Gross Profit	\$ -	\$ 2,032.67	\$ 4,246.77	\$ 6,658.51	\$ 9,285.53	\$ 12,147.03	\$ 15,263.95	\$ 18,659.09	\$ 22,357.28	\$ 26,385.58	\$ 30,773.45	\$ 35,552.98	\$ 40,759.13	\$ 224,121.97	
- Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
- SG&A	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (771,218.94)	
Administrative Expenses	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (56,400.00)	
Infrastructure Expenses	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (69,600.00)	
Marketing Expenses	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (195,218.82)	
Human Resources	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (450,000.12)	
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Earnings Before Tax	\$ (64,268.25)	\$ (62,235.58)	\$ (60,021.47)	\$ (57,609.73)	\$ (54,982.72)	\$ (52,121.22)	\$ (49,004.30)	\$ (45,609.15)	\$ (41,910.96)	\$ (37,882.66)	\$ (33,494.80)	\$ (28,715.27)	\$ (23,509.11)	\$ (547,096.97)	
- Tax (20.5%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Net Income	\$ (64,268.25)	\$ (62,235.58)	\$ (60,021.47)	\$ (57,609.73)	\$ (54,982.72)	\$ (52,121.22)	\$ (49,004.30)	\$ (45,609.15)	\$ (41,910.96)	\$ (37,882.66)	\$ (33,494.80)	\$ (28,715.27)	\$ (23,509.11)	\$ (547,096.97)	
+ Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Cash Flow from Operations	\$ (64,268.25)	\$ (62,235.58)	\$ (60,021.47)	\$ (57,609.73)	\$ (54,982.72)	\$ (52,121.22)	\$ (49,004.30)	\$ (45,609.15)	\$ (41,910.96)	\$ (37,882.66)	\$ (33,494.80)	\$ (28,715.27)	\$ (23,509.11)	\$ (547,096.97)	
- Acquisition of New equipment PP&E	\$ -	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (90,000.01)	
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Free Cash Flow	\$ (64,268.25)	\$ (69,735.58)	\$ (67,521.47)	\$ (65,109.73)	\$ (62,482.72)	\$ (59,621.22)	\$ (56,504.30)	\$ (53,109.16)	\$ (49,410.96)	\$ (45,382.67)	\$ (40,994.80)	\$ (36,215.27)	\$ (31,009.12)	\$ (637,096.98)	
Acumulated FCF	\$ (64,268.25)	\$ (134,003.82)	\$ (201,525.29)	\$ (266,635.03)	\$ (329,117.75)	\$ (388,738.96)	\$ (445,243.26)	\$ (498,352.42)	\$ (547,763.38)	\$ (593,146.04)	\$ (634,140.84)	\$ (670,356.11)	\$ (701,365.23)	\$ (737,462.21)	
EBTIDA	\$ (64,268.25)	\$ (62,235.58)	\$ (60,021.47)	\$ (57,609.73)	\$ (54,982.72)	\$ (52,121.22)	\$ (49,004.30)	\$ (45,609.15)	\$ (41,910.96)	\$ (37,882.66)	\$ (33,494.80)	\$ (28,715.27)	\$ (23,509.11)	\$ (547,096.97)	

Source: Elaborated by the author (2019).

Regular Investment Scenario & Normal Growth Year 2

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
REGULAR SCENARIO														
GROWTH RATE		YEAR 2												
NORMAL GROWTH		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Total Year 2
Market %		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
Market Growth		8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	107%
# of active users		11,001	11,983	13,053	14,218	15,487	16,869	18,375	20,015	21,802	23,748	25,868	28,177	220,598
Revenue		\$ 50,965.96	\$ 57,746.47	\$ 65,132.22	\$ 73,177.22	\$ 81,940.32	\$ 91,485.63	\$ 101,882.95	\$ 113,208.35	\$ 125,544.67	\$ 138,982.13	\$ 153,619.03	\$ 169,562.43	\$ 1,223,247.37
- Cost of Revenue		\$ (4,535.97)	\$ (5,139.44)	\$ (5,796.77)	\$ (6,512.77)	\$ (7,292.69)	\$ (8,142.22)	\$ (9,067.58)	\$ (10,075.54)	\$ (11,173.48)	\$ (12,369.41)	\$ (13,672.09)	\$ (15,091.06)	\$ (108,869.02)
= Gross Profit		\$ 46,429.99	\$ 52,607.04	\$ 59,335.45	\$ 66,664.44	\$ 74,647.63	\$ 83,343.41	\$ 92,815.37	\$ 103,132.81	\$ 114,371.19	\$ 126,612.72	\$ 139,946.94	\$ 154,471.37	\$ 1,114,378.36
- Depreciation		\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (49,500.01)
- SG&A		\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (999,218.94)
Administrative Expenses		\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (114,000.00)
Infrastructure Expenses		\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (120,000.00)
Marketing Expenses		\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (195,218.82)
Human Resources		\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (570,000.12)
- Interest		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax		\$ (40,963.26)	\$ (34,786.21)	\$ (28,057.80)	\$ (20,728.80)	\$ (12,745.61)	\$ (4,049.84)	\$ 5,422.12	\$ 15,739.56	\$ 26,977.95	\$ 39,219.47	\$ 52,553.69	\$ 67,078.13	\$ 65,659.41
- Tax (20.5%)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (1,111.54)	\$ (3,226.61)	\$ (5,530.48)	\$ (8,039.99)	\$ (10,773.51)	\$ (13,751.02)	\$ (42,433.14)
= Net Income		\$ (40,963.26)	\$ (34,786.21)	\$ (28,057.80)	\$ (20,728.80)	\$ (12,745.61)	\$ (4,049.84)	\$ 4,310.59	\$ 12,512.95	\$ 21,447.47	\$ 31,179.48	\$ 41,780.18	\$ 53,327.11	\$ 23,226.27
+ Depreciation		\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 49,500.01
= Cash Flow from Operations		\$ (36,838.25)	\$ (30,661.21)	\$ (23,932.80)	\$ (16,603.80)	\$ (8,620.61)	\$ 75.16	\$ 8,435.59	\$ 16,637.95	\$ 25,572.47	\$ 35,304.48	\$ 45,905.18	\$ 57,452.11	\$ 72,726.27
- Acquisition of New equipment PP&E		\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (185,000.03)
- Changes in Working Capital		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow		\$ (52,254.92)	\$ (46,077.88)	\$ (39,349.47)	\$ (32,020.47)	\$ (24,037.28)	\$ (15,341.51)	\$ (6,981.08)	\$ 1,221.28	\$ 10,155.80	\$ 19,887.81	\$ 30,488.51	\$ 42,035.44	\$ (112,273.76)
Acumulated FCF		\$ (753,620.15)	\$ (799,698.03)	\$ (839,047.50)	\$ (871,067.97)	\$ (895,105.25)	\$ (910,446.76)	\$ (917,427.84)	\$ (916,206.55)	\$ (906,050.76)	\$ (886,162.94)	\$ (855,674.43)	\$ (813,638.98)	
EBTDA		\$ (36,838.25)	\$ (30,661.21)	\$ (23,932.80)	\$ (16,603.80)	\$ (8,620.61)	\$ 75.16	\$ 9,547.12	\$ 19,864.56	\$ 31,102.95	\$ 43,344.47	\$ 56,678.69	\$ 71,203.13	\$ 115,159.41

Source: Elaborated by the author (2019).

Regular Investment Scenario & Normal Growth Year 3

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT											
REGULAR SCENARIO													
GROWTH RATE		YEAR 3											
NORMAL GROWTH	Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	Total Year 3
Market %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.5%
Market Growth	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	107%
# of active users	30,692	33,432	36,416	39,666	43,207	47,064	51,264	55,840	60,825	66,254	72,168	78,610	615,437
Revenue	\$ 186,928.95	\$ 205,845.62	\$ 226,450.81	\$ 248,895.23	\$ 273,343.06	\$ 299,973.12	\$ 328,980.20	\$ 360,576.47	\$ 394,993.05	\$ 432,481.68	\$ 473,316.57	\$ 517,796.42	\$ 3,949,581.18
- Cost of Revenue	\$ (16,636.68)	\$ (18,320.26)	\$ (20,154.12)	\$ (22,151.68)	\$ (24,327.53)	\$ (26,697.61)	\$ (29,279.24)	\$ (32,091.31)	\$ (35,154.38)	\$ (38,490.87)	\$ (42,125.18)	\$ (46,083.88)	\$ (351,512.73)
= Gross Profit	\$ 170,292.28	\$ 187,525.36	\$ 206,296.69	\$ 226,743.56	\$ 249,015.53	\$ 273,275.51	\$ 299,700.96	\$ 328,485.16	\$ 359,838.67	\$ 393,990.81	\$ 431,191.40	\$ 471,712.54	\$ 3,598,068.46
- Depreciation	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (128,975.02)
- SG&A	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (2,130,019.02)
Administrative Expenses	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (230,400.00)
Infrastructure Expenses	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (194,400.00)
Marketing Expenses	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (195,218.82)
Human Resources	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (1,510,000.20)
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax	\$ (17,957.23)	\$ (724.14)	\$ 18,047.18	\$ 38,494.05	\$ 60,766.02	\$ 85,026.01	\$ 111,451.46	\$ 140,235.66	\$ 171,589.16	\$ 205,741.31	\$ 242,941.89	\$ 283,463.04	\$ 1,339,074.41
- Tax (20.5%)	\$ -	\$ -	\$ (3,699.67)	\$ (7,891.28)	\$ (12,457.03)	\$ (17,430.33)	\$ (22,847.55)	\$ (28,748.31)	\$ (35,175.78)	\$ (42,176.97)	\$ (49,803.09)	\$ (58,109.92)	\$ (278,339.94)
= Net Income	\$ (17,957.23)	\$ (724.14)	\$ 14,347.51	\$ 30,602.77	\$ 48,308.99	\$ 67,595.68	\$ 88,603.91	\$ 111,487.35	\$ 136,413.39	\$ 163,564.34	\$ 193,138.81	\$ 225,353.11	\$ 1,060,734.48
+ Depreciation	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 128,975.02
= Cash Flow from Operations	\$ (7,209.31)	\$ 10,023.78	\$ 25,095.43	\$ 41,350.69	\$ 59,056.91	\$ 78,343.59	\$ 99,351.83	\$ 122,235.27	\$ 147,161.30	\$ 174,312.26	\$ 203,886.72	\$ 236,101.03	\$ 1,189,709.50
- Acquisition of New equipment PP&E	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (240,000.04)
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow	\$ (27,209.31)	\$ (9,976.23)	\$ 5,095.43	\$ 21,350.69	\$ 39,056.90	\$ 58,343.59	\$ 79,351.82	\$ 102,235.26	\$ 127,161.30	\$ 154,312.25	\$ 183,886.72	\$ 216,101.03	\$ 949,709.46
Acumulated FCF	\$ (840,848.30)	\$ (850,824.52)	\$ (845,729.10)	\$ (824,378.41)	\$ (785,321.51)	\$ (726,977.92)	\$ (647,626.09)	\$ (545,390.83)	\$ (418,229.53)	\$ (263,917.27)	\$ (80,030.55)	\$ 136,070.48	\$ -
EBTIDA	\$ (7,209.31)	\$ 10,023.78	\$ 28,795.10	\$ 49,241.97	\$ 71,513.94	\$ 95,773.93	\$ 122,199.37	\$ 150,983.58	\$ 182,337.08	\$ 216,489.22	\$ 253,689.81	\$ 294,210.95	\$ 1,468,049.43

Source: Elaborated by the author (2019).

Regular Investment Scenario & Pessimistic Growth Year 1

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
REGULAR SCENARIO														
GROWTH RATE	Preoperational Stage (Month 0)	YEAR 1												Total Year 1
PESSIMISTIC GROWTH		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Market %	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.05%
Market Growth	0	0	3%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	855%
# of active users	50	3,993	4,119	4,303	4,495	4,696	4,905	5,124	5,353	5,592	5,842	6,102	6,375	60,900
Revenue	\$ -	\$ 1,115.62	\$ 2,281.04	\$ 3,498.47	\$ 4,770.23	\$ 6,098.75	\$ 7,486.57	\$ 8,936.32	\$ 10,450.78	\$ 12,032.83	\$ 13,685.48	\$ 15,411.89	\$ 17,215.36	\$ 102,983.35
- Cost of Revenue	\$ -	\$ (99.29)	\$ (203.01)	\$ (311.36)	\$ (424.55)	\$ (542.79)	\$ (666.30)	\$ (795.33)	\$ (930.12)	\$ (1,070.92)	\$ (1,218.01)	\$ (1,371.66)	\$ (1,532.17)	\$ (9,165.52)
= Gross Profit	\$ -	\$ 1,016.33	\$ 2,078.03	\$ 3,187.11	\$ 4,345.68	\$ 5,555.97	\$ 6,820.26	\$ 8,140.99	\$ 9,520.66	\$ 10,961.90	\$ 12,467.47	\$ 14,040.24	\$ 15,683.19	\$ 93,817.83
- Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- SG&A	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (64,268.25)	\$ (771,218.94)
Administrative Expenses	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (56,400.00)
Infrastructure Expenses	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (69,600.00)
Marketing Expenses	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (195,218.82)
Human Resources	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (450,000.12)
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax	\$ (64,268.25)	\$ (63,251.91)	\$ (62,190.22)	\$ (61,081.14)	\$ (59,922.56)	\$ (58,712.28)	\$ (57,447.98)	\$ (56,127.26)	\$ (54,747.59)	\$ (53,306.34)	\$ (51,800.77)	\$ (50,228.01)	\$ (48,585.05)	\$ (677,401.11)
- Tax (20.5%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Net Income	\$ (64,268.25)	\$ (63,251.91)	\$ (62,190.22)	\$ (61,081.14)	\$ (59,922.56)	\$ (58,712.28)	\$ (57,447.98)	\$ (56,127.26)	\$ (54,747.59)	\$ (53,306.34)	\$ (51,800.77)	\$ (50,228.01)	\$ (48,585.05)	\$ (677,401.11)
+ Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Cash Flow from Operations	\$ (64,268.25)	\$ (63,251.91)	\$ (62,190.22)	\$ (61,081.14)	\$ (59,922.56)	\$ (58,712.28)	\$ (57,447.98)	\$ (56,127.26)	\$ (54,747.59)	\$ (53,306.34)	\$ (51,800.77)	\$ (50,228.01)	\$ (48,585.05)	\$ (677,401.11)
- Acquisition of New equipment PP&E	\$ -	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (90,000.01)
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow	\$ (64,268.25)	\$ (70,751.91)	\$ (69,690.22)	\$ (68,581.14)	\$ (67,422.56)	\$ (66,212.28)	\$ (64,947.98)	\$ (63,627.26)	\$ (62,247.59)	\$ (60,806.34)	\$ (59,300.77)	\$ (57,728.01)	\$ (56,085.06)	\$ (767,401.12)
Acumulated FCF	\$ (64,268.25)	\$ (135,020.16)	\$ (204,710.38)	\$ (273,291.52)	\$ (340,714.08)	\$ (406,926.36)	\$ (471,874.34)	\$ (535,501.60)	\$ (597,749.19)	\$ (658,555.53)	\$ (717,856.30)	\$ (775,584.31)	\$ (831,669.37)	\$ (887,270.52)
EBTIDA	\$ (64,268.25)	\$ (63,251.91)	\$ (62,190.22)	\$ (61,081.14)	\$ (59,922.56)	\$ (58,712.28)	\$ (57,447.98)	\$ (56,127.26)	\$ (54,747.59)	\$ (53,306.34)	\$ (51,800.77)	\$ (50,228.01)	\$ (48,585.05)	\$ (677,401.11)

Source: Elaborated by the author (2019).

Regular Investment Scenario & Pessimistic Growth Year 2

FREE CASH FLOW STATEMENT

MARKETING INVESTMENT SCENARIOS		YEAR 2													Total Year 2
REGULAR SCENARIO															
GROWTH RATE															
PESSIMISTIC GROWTH		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24		
Market %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	
Market Growth	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	54%	
# of active users	6,659	6,956	7,267	7,591	7,930	8,284	8,653	9,040	9,443	9,865	10,305	10,765	11,245	102,757	
Revenue	\$ 19,099.31	\$ 21,067.35	\$ 23,123.21	\$ 25,270.84	\$ 27,514.31	\$ 29,857.91	\$ 32,306.10	\$ 34,863.56	\$ 37,535.16	\$ 40,325.99	\$ 43,241.38	\$ 46,286.89	\$ 49,473.27	\$ 380,492.01	
- Cost of Revenue	\$ (1,699.84)	\$ (1,874.99)	\$ (2,057.97)	\$ (2,249.10)	\$ (2,448.77)	\$ (2,657.35)	\$ (2,875.24)	\$ (3,102.86)	\$ (3,340.63)	\$ (3,589.01)	\$ (3,848.48)	\$ (4,119.53)	\$ (4,405.12)	\$ (33,863.79)	
= Gross Profit	\$ 17,399.47	\$ 19,192.35	\$ 21,065.25	\$ 23,021.73	\$ 25,065.54	\$ 27,200.55	\$ 29,430.86	\$ 31,760.70	\$ 34,194.53	\$ 36,736.98	\$ 39,392.90	\$ 42,167.35	\$ 45,068.15	\$ 346,628.22	
- Depreciation	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (49,500.01)	
- SG&A	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (83,268.25)	\$ (999,218.94)	
Administrative Expenses	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (114,000.00)	
Infrastructure Expenses	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (120,000.00)	
Marketing Expenses	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (195,218.82)	
Human Resources	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (570,000.12)	
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Earnings Before Tax	\$ (69,993.77)	\$ (68,200.89)	\$ (66,328.00)	\$ (64,371.51)	\$ (62,327.71)	\$ (60,192.69)	\$ (57,962.39)	\$ (55,632.54)	\$ (53,198.72)	\$ (50,656.27)	\$ (48,000.35)	\$ (45,225.89)	\$ (42,347.74)	\$ (702,090.73)	
- Tax (20.5%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Net Income	\$ (69,993.77)	\$ (68,200.89)	\$ (66,328.00)	\$ (64,371.51)	\$ (62,327.71)	\$ (60,192.69)	\$ (57,962.39)	\$ (55,632.54)	\$ (53,198.72)	\$ (50,656.27)	\$ (48,000.35)	\$ (45,225.89)	\$ (42,347.74)	\$ (702,090.73)	
+ Depreciation	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 49,500.01	
= Cash Flow from Operations	\$ (65,868.77)	\$ (64,075.89)	\$ (62,203.00)	\$ (60,246.51)	\$ (58,202.71)	\$ (56,067.69)	\$ (53,837.39)	\$ (51,507.54)	\$ (49,073.71)	\$ (46,531.27)	\$ (43,875.35)	\$ (41,100.89)	\$ (38,222.74)	\$ (652,590.72)	
- Acquisition of New equipment PP&E	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (185,000.03)	
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Free Cash Flow	\$ (81,285.44)	\$ (79,492.56)	\$ (77,619.67)	\$ (75,663.18)	\$ (73,619.38)	\$ (71,484.36)	\$ (69,254.06)	\$ (66,924.21)	\$ (64,490.38)	\$ (61,947.93)	\$ (59,292.01)	\$ (56,517.56)	\$ (53,626.74)	\$ (837,590.75)	
Acumulated FCF	\$ (912,954.81)	\$ (992,447.37)	\$ (1,070,067.04)	\$ (1,145,730.22)	\$ (1,219,349.60)	\$ (1,290,833.96)	\$ (1,360,088.02)	\$ (1,427,012.23)	\$ (1,491,502.61)	\$ (1,553,450.55)	\$ (1,612,742.56)	\$ (1,669,260.12)	\$ (1,723,352.19)	\$ (1,778,252.94)	
EBTIDA	\$ (65,868.77)	\$ (64,075.89)	\$ (62,203.00)	\$ (60,246.51)	\$ (58,202.71)	\$ (56,067.69)	\$ (53,837.39)	\$ (51,507.54)	\$ (49,073.71)	\$ (46,531.27)	\$ (43,875.35)	\$ (41,100.89)	\$ (38,222.74)	\$ (652,590.72)	

Source: Elaborated by the author (2019).

Regular Investment Scenario & Pessimistic Growth Year 3

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
REGULAR SCENARIO		YEAR 3												Total Year 3
GROWTH RATE		Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	Total Year 3
PESSIMISTIC GROWTH		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
Market %	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	54%
Market Growth	11,245	11,747	12,271	12,819	13,391	13,989	14,613	15,265	15,947	16,658	17,402	18,178	173,525	
# of active users	\$ 49,468.31	\$ 52,791.73	\$ 56,263.47	\$ 59,890.15	\$ 63,678.70	\$ 67,636.33	\$ 71,770.59	\$ 76,089.36	\$ 80,600.88	\$ 85,313.76	\$ 90,236.97	\$ 95,379.90	\$ 849,120.15	
Revenue	\$ (4,402.68)	\$ (4,698.46)	\$ (5,007.45)	\$ (5,330.22)	\$ (5,667.40)	\$ (6,019.63)	\$ (6,387.58)	\$ (6,771.95)	\$ (7,173.48)	\$ (7,592.92)	\$ (8,031.09)	\$ (8,488.81)	\$ (75,571.69)	
- Cost of Revenue	\$ 45,065.63	\$ 48,093.26	\$ 51,256.02	\$ 54,559.93	\$ 58,011.29	\$ 61,616.69	\$ 65,383.01	\$ 69,317.41	\$ 73,427.40	\$ 77,720.83	\$ 82,205.88	\$ 86,891.09	\$ 773,548.45	
= Gross Profit	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (128,975.02)	
- Depreciation	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (177,501.59)	\$ (2,130,019.02)	
- SG&A	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (230,400.00)	
Administrative Expenses	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (194,400.00)	
Infrastructure Expenses	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (16,268.24)	\$ (195,218.82)	
Marketing Expenses	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (1,510,000.20)	
Human Resources	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
- Interest	\$ (143,183.87)	\$ (140,156.24)	\$ (136,993.48)	\$ (133,689.57)	\$ (130,238.21)	\$ (126,632.81)	\$ (122,866.50)	\$ (118,932.10)	\$ (114,822.10)	\$ (110,528.67)	\$ (106,043.63)	\$ (101,358.41)	\$ (1,485,445.59)	
= Earnings Before Tax	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
- Tax (20.5%)	\$ (143,183.87)	\$ (140,156.24)	\$ (136,993.48)	\$ (133,689.57)	\$ (130,238.21)	\$ (126,632.81)	\$ (122,866.50)	\$ (118,932.10)	\$ (114,822.10)	\$ (110,528.67)	\$ (106,043.63)	\$ (101,358.41)	\$ (1,485,445.59)	
= Net Income	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 128,975.02	
+ Depreciation	\$ (132,435.95)	\$ (129,408.32)	\$ (126,245.57)	\$ (122,941.66)	\$ (119,490.29)	\$ (115,884.89)	\$ (112,118.58)	\$ (108,184.18)	\$ (104,074.18)	\$ (99,780.75)	\$ (95,295.71)	\$ (90,610.49)	\$ (1,356,470.57)	
= Cash Flow from Operations	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (240,000.04)	
- Acquisition of New equipment PP&E	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Free Cash Flow	\$ (152,435.95)	\$ (149,408.32)	\$ (146,245.57)	\$ (142,941.66)	\$ (139,490.29)	\$ (135,884.89)	\$ (132,118.58)	\$ (128,184.18)	\$ (124,074.18)	\$ (119,780.76)	\$ (115,295.71)	\$ (110,610.50)	\$ (1,596,470.61)	
Acumulated FCF	\$ (1,821,696.07)	\$ (1,971,104.40)	\$ (2,117,349.97)	\$ (2,260,291.63)	\$ (2,399,781.92)	\$ (2,535,666.81)	\$ (2,667,785.40)	\$ (2,795,969.58)	\$ (2,920,043.76)	\$ (3,039,824.52)	\$ (3,155,120.23)	\$ (3,265,730.73)		
EBTIDA	\$ (132,435.95)	\$ (129,408.32)	\$ (126,245.57)	\$ (122,941.66)	\$ (119,490.29)	\$ (115,884.89)	\$ (112,118.58)	\$ (108,184.18)	\$ (104,074.18)	\$ (99,780.75)	\$ (95,295.71)	\$ (90,610.49)	\$ (1,356,470.57)	

Source: Elaborated by the author (2019).

Low Investment Scenario & Optimistic Growth Year 1

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
LOW SCENARIO														
GROWTH RATE	Preoperational	YEAR 1												Total Year 1
OTIMISTIC GROWTH	Stage (Month 0)	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Market %	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.01%	0.01%	0.01%	0.05%
Market Growth	0	0	11%	13%	13%	13%	13%	13%	13%	13%	13%	13%	13%	560%
# of active users	50	2,022	2,236	2,535	2,874	3,259	3,696	4,190	4,751	5,388	6,109	6,927	7,854	51,842
Revenue	\$ -	\$ 1,673.44	\$ 3,570.93	\$ 5,722.49	\$ 8,162.11	\$ 10,928.39	\$ 14,065.04	\$ 17,621.66	\$ 21,654.48	\$ 26,227.26	\$ 31,412.30	\$ 37,291.56	\$ 43,958.01	\$ 222,287.68
- Cost of Revenue	\$ -	\$ (148.94)	\$ (317.81)	\$ (509.30)	\$ (726.43)	\$ (972.63)	\$ (1,251.79)	\$ (1,568.33)	\$ (1,927.25)	\$ (2,334.23)	\$ (2,795.69)	\$ (3,318.95)	\$ (3,912.26)	\$ (19,783.60)
= Gross Profit	\$ -	\$ 1,524.50	\$ 3,253.12	\$ 5,213.19	\$ 7,435.69	\$ 9,955.76	\$ 12,813.25	\$ 16,053.33	\$ 19,727.23	\$ 23,893.04	\$ 28,616.60	\$ 33,972.62	\$ 40,045.75	\$ 202,504.08
- Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- SG&A	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (673,609.53)
Administrative Expenses	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (56,400.00)
Infrastructure Expenses	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (69,600.00)
Marketing Expenses	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (97,609.41)
Human Resources	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (450,000.12)
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax	\$ (56,134.13)	\$ (54,609.63)	\$ (52,881.01)	\$ (50,920.94)	\$ (48,698.44)	\$ (46,178.37)	\$ (43,320.88)	\$ (40,080.79)	\$ (36,406.89)	\$ (32,241.09)	\$ (27,517.52)	\$ (22,161.51)	\$ (16,088.38)	\$ (471,105.46)
- Tax (20.5%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Net Income	\$ (56,134.13)	\$ (54,609.63)	\$ (52,881.01)	\$ (50,920.94)	\$ (48,698.44)	\$ (46,178.37)	\$ (43,320.88)	\$ (40,080.79)	\$ (36,406.89)	\$ (32,241.09)	\$ (27,517.52)	\$ (22,161.51)	\$ (16,088.38)	\$ (471,105.46)
+ Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Cash Flow from Operations	\$ (56,134.13)	\$ (54,609.63)	\$ (52,881.01)	\$ (50,920.94)	\$ (48,698.44)	\$ (46,178.37)	\$ (43,320.88)	\$ (40,080.79)	\$ (36,406.89)	\$ (32,241.09)	\$ (27,517.52)	\$ (22,161.51)	\$ (16,088.38)	\$ (471,105.46)
- Acquisition of New equipment PP&E	\$ -	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (90,000.01)
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow	\$ (56,134.13)	\$ (62,109.63)	\$ (60,381.01)	\$ (58,420.94)	\$ (56,198.44)	\$ (53,678.37)	\$ (50,820.88)	\$ (47,580.80)	\$ (43,906.90)	\$ (39,741.09)	\$ (35,017.52)	\$ (29,661.51)	\$ (23,588.38)	\$ (561,105.47)
Acumulated FCF	\$ (56,134.13)	\$ (118,243.75)	\$ (178,624.76)	\$ (237,045.71)	\$ (293,244.15)	\$ (346,922.52)	\$ (397,743.39)	\$ (445,324.19)	\$ (489,231.09)	\$ (528,972.18)	\$ (563,989.70)	\$ (593,651.22)	\$ (617,239.60)	
EBTIDA	\$ (56,134.13)	\$ (54,609.63)	\$ (52,881.01)	\$ (50,920.94)	\$ (48,698.44)	\$ (46,178.37)	\$ (43,320.88)	\$ (40,080.79)	\$ (36,406.89)	\$ (32,241.09)	\$ (27,517.52)	\$ (22,161.51)	\$ (16,088.38)	\$ (471,105.46)

Source: Elaborated by the author (2019).

Low Investment Scenario & Optimistic Growth Year 2

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
LOW SCENARIO														
GROWTH RATE		YEAR 2												
OPTIMISTIC GROWTH		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Total Year 2
Market %		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.2%
Market Growth		13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	161%
# of active users		8,906	10,099	11,451	12,984	14,722	16,693	18,928	21,463	24,336	27,595	31,290	35,479	233,946
Revenue		\$ 51,517.04	\$ 60,088.15	\$ 69,806.86	\$ 80,826.82	\$ 93,322.25	\$ 107,490.71	\$ 123,556.20	\$ 141,772.72	\$ 162,428.27	\$ 185,849.41	\$ 212,406.44	\$ 242,519.21	\$ 1,531,584.07
- Cost of Revenue		\$ (4,585.02)	\$ (5,347.85)	\$ (6,212.81)	\$ (7,193.59)	\$ (8,305.68)	\$ (9,566.67)	\$ (10,996.50)	\$ (12,617.77)	\$ (14,456.12)	\$ (16,540.60)	\$ (18,904.17)	\$ (21,584.21)	\$ (136,310.98)
= Gross Profit		\$ 46,932.02	\$ 54,740.31	\$ 63,594.05	\$ 73,633.23	\$ 85,016.57	\$ 97,924.04	\$ 112,559.70	\$ 129,154.95	\$ 147,972.15	\$ 169,308.81	\$ 193,502.26	\$ 220,935.00	\$ 1,395,273.09
- Depreciation		\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (49,500.01)
- SG&A		\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (901,609.53)
Administrative Expenses		\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (114,000.00)
Infrastructure Expenses		\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (120,000.00)
Marketing Expenses		\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (97,609.41)
Human Resources		\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (570,000.12)
- Interest		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax		\$ (32,327.11)	\$ (24,518.82)	\$ (15,665.08)	\$ (5,625.90)	\$ 5,757.44	\$ 18,664.91	\$ 33,300.57	\$ 49,895.82	\$ 68,713.02	\$ 90,049.68	\$ 114,243.14	\$ 141,675.88	\$ 444,163.55
- Tax (20.5%)		\$ -	\$ -	\$ -	\$ -	\$ (1,180.28)	\$ (3,826.31)	\$ (6,826.62)	\$ (10,228.64)	\$ (14,086.17)	\$ (18,460.19)	\$ (23,419.84)	\$ (29,043.55)	\$ (107,071.59)
= Net Income		\$ (32,327.11)	\$ (24,518.82)	\$ (15,665.08)	\$ (5,625.90)	\$ 4,577.17	\$ 14,838.60	\$ 26,473.95	\$ 39,667.18	\$ 54,626.85	\$ 71,589.50	\$ 90,823.29	\$ 112,632.32	\$ 337,091.95
+ Depreciation		\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 49,500.01
= Cash Flow from Operations		\$ (28,202.11)	\$ (20,393.82)	\$ (11,540.08)	\$ (1,500.90)	\$ 8,702.17	\$ 18,963.60	\$ 30,598.95	\$ 43,792.18	\$ 58,751.85	\$ 75,714.50	\$ 94,948.29	\$ 116,757.32	\$ 386,591.96
- Acquisition of New equipment PP&E		\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (185,000.03)
- Changes in Working Capital		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow		\$ (43,618.77)	\$ (35,810.49)	\$ (26,956.75)	\$ (16,917.57)	\$ (6,714.50)	\$ 3,546.93	\$ 15,182.28	\$ 28,375.51	\$ 43,335.18	\$ 60,297.83	\$ 79,531.62	\$ 101,340.65	\$ 201,591.93
Acumulated FCF		\$ (660,858.37)	\$ (696,668.86)	\$ (723,625.61)	\$ (740,543.18)	\$ (747,257.68)	\$ (743,710.75)	\$ (728,528.46)	\$ (700,152.96)	\$ (656,817.77)	\$ (596,519.94)	\$ (516,988.32)	\$ (415,647.66)	
EBTIDA		\$ (28,202.11)	\$ (20,393.82)	\$ (11,540.08)	\$ (1,500.90)	\$ 9,882.44	\$ 22,789.91	\$ 37,425.57	\$ 54,020.82	\$ 72,838.02	\$ 94,174.68	\$ 118,368.14	\$ 145,800.88	\$ 493,663.55

Source: Elaborated by the author (2019).

Low Investment Scenario & Optimistic Growth Year 3

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
LOW SCENARIO														
GROWTH RATE		YEAR 3												Total Year 3
OTIMISTIC GROWTH		Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	
Market %		0.0%	0.0%	0.0%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.9%
Market Growth		13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	13.4%	161%
# of active users		40,229	45,616	51,723	58,649	66,501	75,405	85,501	96,949	109,929	124,648	141,337	160,261	1,056,749
Revenue		\$ 276,663.83	\$ 315,380.10	\$ 359,280.14	\$ 409,058.00	\$ 465,500.68	\$ 529,500.54	\$ 602,069.41	\$ 684,354.61	\$ 777,657.06	\$ 883,451.89	\$ 1,003,411.71	\$ 1,139,433.09	\$ 7,445,761.08
- Cost of Revenue		\$ (24,623.08)	\$ (28,068.83)	\$ (31,975.93)	\$ (36,406.16)	\$ (41,429.56)	\$ (47,125.55)	\$ (53,584.18)	\$ (60,907.56)	\$ (69,211.48)	\$ (78,627.22)	\$ (89,303.64)	\$ (101,409.55)	\$ (662,672.74)
= Gross Profit		\$ 252,040.75	\$ 287,311.27	\$ 327,304.21	\$ 372,651.84	\$ 424,071.12	\$ 482,374.99	\$ 548,485.23	\$ 623,447.05	\$ 708,445.59	\$ 804,824.68	\$ 914,108.07	\$ 1,038,023.55	\$ 6,783,088.34
- Depreciation		\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (128,975.02)
- SG&A		\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (2,032,409.61)
Administrative Expenses		\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (230,400.00)
Infrastructure Expenses		\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (194,400.00)
Marketing Expenses		\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (97,609.41)
Human Resources		\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (1,510,000.20)
- Interest		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax		\$ 71,925.36	\$ 107,195.88	\$ 147,188.82	\$ 192,536.46	\$ 243,955.74	\$ 302,259.61	\$ 368,369.85	\$ 443,331.66	\$ 528,330.20	\$ 624,709.29	\$ 733,992.69	\$ 857,908.16	\$ 4,621,703.71
- Tax (20.5%)		\$ (14,744.70)	\$ (21,975.16)	\$ (30,173.71)	\$ (39,469.97)	\$ (50,010.93)	\$ (61,963.22)	\$ (75,515.82)	\$ (90,882.99)	\$ (108,307.69)	\$ (128,065.40)	\$ (150,468.50)	\$ (175,871.17)	\$ (947,449.26)
= Net Income		\$ 57,180.66	\$ 85,220.73	\$ 117,015.11	\$ 153,066.48	\$ 193,944.81	\$ 240,296.39	\$ 292,854.03	\$ 352,448.67	\$ 420,022.51	\$ 496,643.89	\$ 583,524.19	\$ 682,036.99	\$ 3,674,254.45
+ Depreciation		\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 128,975.02
= Cash Flow from Operations		\$ 67,928.58	\$ 95,968.65	\$ 127,763.03	\$ 163,814.40	\$ 204,692.73	\$ 251,044.31	\$ 303,601.95	\$ 363,196.59	\$ 430,770.43	\$ 507,391.80	\$ 594,272.10	\$ 692,784.91	\$ 3,803,229.47
- Acquisition of New equipment PP&E		\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (240,000.04)
- Changes in Working Capital		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow		\$ 47,928.58	\$ 75,968.64	\$ 107,763.03	\$ 143,814.40	\$ 184,692.73	\$ 231,044.30	\$ 283,601.94	\$ 343,196.59	\$ 410,770.42	\$ 487,391.80	\$ 574,272.10	\$ 672,784.90	\$ 3,563,229.43
Acumulated FCF		\$ (367,719.09)	\$ (291,750.44)	\$ (183,987.42)	\$ (40,173.02)	\$ 144,519.71	\$ 375,564.01	\$ 659,165.95	\$ 1,002,362.54	\$ 1,413,132.97	\$ 1,900,524.77	\$ 2,474,796.87	\$ 3,147,581.77	
EBTIDA		\$ 82,673.28	\$ 117,943.80	\$ 157,936.74	\$ 203,284.37	\$ 254,703.66	\$ 313,007.52	\$ 379,117.76	\$ 454,079.58	\$ 539,078.12	\$ 635,457.21	\$ 744,740.60	\$ 868,656.08	\$ 4,750,678.73

Source: Elaborated by the author (2019).

Low Investment Scenario & Normal Growth Year 1

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT													
LOW SCENARIO															
GROWTH RATE		YEAR 1													
NORMAL GROWTH		Preoperational Stage (Month 0)	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total Year 1
Market %	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
Market Growth	0	0	6%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	9%	684%
# of active users	50	2,022	2,148	2,339	2,548	2,776	3,023	3,293	3,587	3,907	4,256	4,636	5,050	39,586	
Revenue	\$ -	\$ 1,115.62	\$ 2,330.83	\$ 3,654.51	\$ 5,096.34	\$ 6,666.87	\$ 8,377.58	\$ 10,240.99	\$ 12,270.74	\$ 14,481.66	\$ 16,889.93	\$ 19,513.16	\$ 22,370.54	\$ 123,008.77	
- Cost of Revenue	\$ -	\$ (99.29)	\$ (207.44)	\$ (325.25)	\$ (453.57)	\$ (593.35)	\$ (745.60)	\$ (911.45)	\$ (1,092.10)	\$ (1,288.87)	\$ (1,503.20)	\$ (1,736.67)	\$ (1,990.98)	\$ (10,947.78)	
= Gross Profit	\$ -	\$ 1,016.33	\$ 2,123.39	\$ 3,329.26	\$ 4,642.76	\$ 6,073.51	\$ 7,631.98	\$ 9,329.55	\$ 11,178.64	\$ 13,192.79	\$ 15,386.72	\$ 17,776.49	\$ 20,379.57	\$ 112,060.99	
- Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
- SG&A	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (673,609.53)	
Administrative Expenses	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (56,400.00)	
Infrastructure Expenses	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (69,600.00)	
Marketing Expenses	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (97,609.41)	
Human Resources	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (450,000.12)	
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Earnings Before Tax	\$ (56,134.13)	\$ (55,117.79)	\$ (54,010.74)	\$ (52,804.87)	\$ (51,491.36)	\$ (50,060.61)	\$ (48,502.15)	\$ (46,804.58)	\$ (44,955.49)	\$ (42,941.34)	\$ (40,747.40)	\$ (38,357.64)	\$ (35,754.56)	\$ (561,548.55)	
- Tax (20.5%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Net Income	\$ (56,134.13)	\$ (55,117.79)	\$ (54,010.74)	\$ (52,804.87)	\$ (51,491.36)	\$ (50,060.61)	\$ (48,502.15)	\$ (46,804.58)	\$ (44,955.49)	\$ (42,941.34)	\$ (40,747.40)	\$ (38,357.64)	\$ (35,754.56)	\$ (561,548.55)	
+ Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Cash Flow from Operations	\$ (56,134.13)	\$ (55,117.79)	\$ (54,010.74)	\$ (52,804.87)	\$ (51,491.36)	\$ (50,060.61)	\$ (48,502.15)	\$ (46,804.58)	\$ (44,955.49)	\$ (42,941.34)	\$ (40,747.40)	\$ (38,357.64)	\$ (35,754.56)	\$ (561,548.55)	
- Acquisition of New equipment PP&E	\$ -	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (90,000.01)	
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
= Free Cash Flow	\$ (56,134.13)	\$ (62,617.79)	\$ (61,510.74)	\$ (60,304.87)	\$ (58,991.37)	\$ (57,560.61)	\$ (56,002.15)	\$ (54,304.58)	\$ (52,455.49)	\$ (50,441.34)	\$ (48,247.41)	\$ (45,857.64)	\$ (43,254.56)	\$ (651,548.56)	
Acumulated FCF	\$ (56,134.13)	\$ (118,751.92)	\$ (180,262.66)	\$ (240,567.54)	\$ (299,558.90)	\$ (357,119.51)	\$ (413,121.67)	\$ (467,426.25)	\$ (519,881.74)	\$ (570,323.08)	\$ (618,570.48)	\$ (664,428.12)	\$ (707,682.69)		
EBTIDA	\$ (56,134.13)	\$ (55,117.79)	\$ (54,010.74)	\$ (52,804.87)	\$ (51,491.36)	\$ (50,060.61)	\$ (48,502.15)	\$ (46,804.58)	\$ (44,955.49)	\$ (42,941.34)	\$ (40,747.40)	\$ (38,357.64)	\$ (35,754.56)	\$ (561,548.55)	

Source: Elaborated by the author (2019).

Low Investment Scenario & Normal Growth Year 2

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
LOW SCENARIO														
GROWTH RATE		YEAR 2												
NORMAL GROWTH		Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Total Year 2
Market %		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Market Growth		8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	107%
# of active users		5,501	5,992	6,526	7,109	7,744	8,435	9,188	10,008	10,901	11,874	12,934	14,088	110,299
Revenue		\$ 25,482.98	\$ 28,873.24	\$ 32,566.11	\$ 36,588.61	\$ 40,970.16	\$ 45,742.81	\$ 50,941.48	\$ 56,604.18	\$ 62,772.33	\$ 69,491.06	\$ 76,809.51	\$ 84,781.22	\$ 611,623.69
- Cost of Revenue		\$ (2,267.99)	\$ (2,569.72)	\$ (2,898.38)	\$ (3,256.39)	\$ (3,646.34)	\$ (4,071.11)	\$ (4,533.79)	\$ (5,037.77)	\$ (5,586.74)	\$ (6,184.70)	\$ (6,836.05)	\$ (7,545.53)	\$ (54,434.51)
= Gross Profit		\$ 23,215.00	\$ 26,303.52	\$ 29,667.72	\$ 33,332.22	\$ 37,323.82	\$ 41,671.70	\$ 46,407.68	\$ 51,566.40	\$ 57,185.60	\$ 63,306.36	\$ 69,973.47	\$ 77,235.69	\$ 557,189.18
- Depreciation		\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (49,500.01)
- SG&A		\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (901,609.53)
Administrative Expenses		\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (114,000.00)
Infrastructure Expenses		\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (120,000.00)
Marketing Expenses		\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (97,609.41)
Human Resources		\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (570,000.12)
- Interest		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax		\$ (56,044.13)	\$ (52,955.61)	\$ (49,591.40)	\$ (45,926.91)	\$ (41,935.31)	\$ (37,587.43)	\$ (32,851.44)	\$ (27,692.72)	\$ (22,073.53)	\$ (15,952.77)	\$ (9,285.66)	\$ (2,023.44)	\$ (393,920.36)
- Tax (20.5%)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Net Income		\$ (56,044.13)	\$ (52,955.61)	\$ (49,591.40)	\$ (45,926.91)	\$ (41,935.31)	\$ (37,587.43)	\$ (32,851.44)	\$ (27,692.72)	\$ (22,073.53)	\$ (15,952.77)	\$ (9,285.66)	\$ (2,023.44)	\$ (393,920.36)
+ Depreciation		\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 49,500.01
= Cash Flow from Operations		\$ (51,919.13)	\$ (48,830.61)	\$ (45,466.40)	\$ (41,801.91)	\$ (37,810.31)	\$ (33,462.42)	\$ (28,726.44)	\$ (23,567.72)	\$ (17,948.53)	\$ (11,827.77)	\$ (5,160.66)	\$ 2,101.56	\$ (344,420.35)
- Acquisition of New equipment PP&E		\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (185,000.03)
- Changes in Working Capital		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow		\$ (67,335.80)	\$ (64,247.28)	\$ (60,883.07)	\$ (57,218.57)	\$ (53,226.98)	\$ (48,879.09)	\$ (44,143.11)	\$ (38,984.39)	\$ (33,365.20)	\$ (27,244.44)	\$ (20,577.33)	\$ (13,315.11)	\$ (529,420.38)
Acumulated FCF		\$ (775,018.49)	\$ (839,265.77)	\$ (900,148.84)	\$ (957,367.41)	\$ (1,010,594.39)	\$ (1,059,473.49)	\$ (1,103,616.60)	\$ (1,142,600.99)	\$ (1,175,966.19)	\$ (1,203,210.63)	\$ (1,223,787.96)	\$ (1,237,103.07)	
EBTIDA		\$ (51,919.13)	\$ (48,830.61)	\$ (45,466.40)	\$ (41,801.91)	\$ (37,810.31)	\$ (33,462.42)	\$ (28,726.44)	\$ (23,567.72)	\$ (17,948.53)	\$ (11,827.77)	\$ (5,160.66)	\$ 2,101.56	\$ (344,420.35)

Source: Elaborated by the author (2019).

Low Investment Scenario & Normal Growth Year 3

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
LOW SCENARIO														
GROWTH RATE		YEAR 3												Total Year 3
NORMAL GROWTH		Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	
Market %		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
Market Growth		8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	8.9%	107%
# of active users		15,346	16,716	18,208	19,833	21,603	23,532	25,632	27,920	30,412	33,127	36,084	39,305	307,718
Revenue		\$ 93,464.48	\$ 102,922.81	\$ 113,225.40	\$ 124,447.62	\$ 136,671.53	\$ 149,986.56	\$ 164,490.10	\$ 180,288.23	\$ 197,496.52	\$ 216,240.84	\$ 236,658.29	\$ 258,898.21	\$ 1,974,790.59
- Cost of Revenue		\$ (8,318.34)	\$ (9,160.13)	\$ (10,077.06)	\$ (11,075.84)	\$ (12,163.77)	\$ (13,348.80)	\$ (14,639.62)	\$ (16,045.65)	\$ (17,577.19)	\$ (19,245.43)	\$ (21,062.59)	\$ (23,041.94)	\$ (175,756.36)
= Gross Profit		\$ 85,146.14	\$ 93,762.68	\$ 103,148.34	\$ 113,371.78	\$ 124,507.76	\$ 136,637.76	\$ 149,850.48	\$ 164,242.58	\$ 179,919.33	\$ 196,995.41	\$ 215,595.70	\$ 235,856.27	\$ 1,799,034.23
- Depreciation		\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (128,975.02)
- SG&A		\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (2,032,409.61)
Administrative Expenses		\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (230,400.00)
Infrastructure Expenses		\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (194,400.00)
Marketing Expenses		\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (97,609.41)
Human Resources		\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (1,510,000.20)
- Interest		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax		\$ (94,969.25)	\$ (86,352.70)	\$ (76,967.04)	\$ (66,743.61)	\$ (55,607.62)	\$ (43,477.63)	\$ (30,264.91)	\$ (15,872.80)	\$ (196.05)	\$ 16,880.02	\$ 35,480.31	\$ 55,740.88	\$ (362,350.40)
- Tax (20.5%)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (3,460.40)	\$ (7,273.46)	\$ (11,426.88)	\$ (22,160.75)
= Net Income		\$ (94,969.25)	\$ (86,352.70)	\$ (76,967.04)	\$ (66,743.61)	\$ (55,607.62)	\$ (43,477.63)	\$ (30,264.91)	\$ (15,872.80)	\$ (196.05)	\$ 13,419.62	\$ 28,206.85	\$ 44,314.00	\$ (384,511.15)
+ Depreciation		\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 128,975.02
= Cash Flow from Operations		\$ (84,221.33)	\$ (75,604.79)	\$ (66,219.12)	\$ (55,995.69)	\$ (44,859.70)	\$ (32,729.71)	\$ (19,516.99)	\$ (5,124.89)	\$ 10,551.87	\$ 24,167.53	\$ 38,954.77	\$ 55,061.92	\$ (255,536.13)
- Acquisition of New equipment PP&E		\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (240,000.04)
- Changes in Working Capital		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow		\$ (104,221.33)	\$ (95,604.79)	\$ (86,219.13)	\$ (75,995.69)	\$ (64,859.71)	\$ (52,729.72)	\$ (39,516.99)	\$ (25,124.89)	\$ (9,448.14)	\$ 4,167.53	\$ 18,954.76	\$ 35,061.92	\$ (495,536.17)
Acumulated FCF		\$ (1,341,324.40)	\$ (1,436,929.19)	\$ (1,523,148.32)	\$ (1,599,144.01)	\$ (1,664,003.72)	\$ (1,716,733.43)	\$ (1,756,250.42)	\$ (1,781,375.31)	\$ (1,790,823.45)	\$ (1,786,655.92)	\$ (1,767,701.16)	\$ (1,732,639.24)	\$ -
EBTIDA		\$ (84,221.33)	\$ (75,604.79)	\$ (66,219.12)	\$ (55,995.69)	\$ (44,859.70)	\$ (32,729.71)	\$ (19,516.99)	\$ (5,124.89)	\$ 10,551.87	\$ 27,627.94	\$ 46,228.23	\$ 66,488.80	\$ (233,375.38)

Source: Elaborated by the author (2019).

Low Investment Scenario & Pessimistic Growth Year 1

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
LOW SCENARIO														
GROWTH RATE	Preoperational Stage (Month 0)	YEAR 1												Total Year 1
PESSIMISTIC GROWTH		Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	
Market %	0.0%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.03%
Market Growth	0	0	2%	4%	4%	4%	4%	4%	4%	4%	4%	4%	4%	856%
# of active users	50	2,022	2,060	2,152	2,248	2,348	2,453	2,562	2,677	2,796	2,921	3,051	3,187	30,475
Revenue	\$ -	\$ 557.81	\$ 1,140.52	\$ 1,749.23	\$ 2,385.12	\$ 3,049.38	\$ 3,743.28	\$ 4,468.16	\$ 5,225.39	\$ 6,016.41	\$ 6,842.74	\$ 7,705.95	\$ 8,607.68	\$ 51,491.68
- Cost of Revenue	\$ -	\$ (49.65)	\$ (101.51)	\$ (155.68)	\$ (212.28)	\$ (271.39)	\$ (333.15)	\$ (397.67)	\$ (465.06)	\$ (535.46)	\$ (609.00)	\$ (685.83)	\$ (766.08)	\$ (4,582.76)
= Gross Profit	\$ -	\$ 508.17	\$ 1,039.01	\$ 1,593.55	\$ 2,172.84	\$ 2,777.98	\$ 3,410.13	\$ 4,070.49	\$ 4,760.33	\$ 5,480.95	\$ 6,233.74	\$ 7,020.12	\$ 7,841.60	\$ 46,908.92
- Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
- SG&A	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (56,134.13)	\$ (673,609.53)
Administrative Expenses	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (4,700.00)	\$ (56,400.00)
Infrastructure Expenses	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (5,800.00)	\$ (69,600.00)
Marketing Expenses	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (97,609.41)
Human Resources	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (37,500.01)	\$ (450,000.12)
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax	\$ (56,134.13)	\$ (55,625.96)	\$ (55,095.11)	\$ (54,540.57)	\$ (53,961.29)	\$ (53,356.14)	\$ (52,724.00)	\$ (52,063.63)	\$ (51,373.80)	\$ (50,653.18)	\$ (49,900.39)	\$ (49,114.01)	\$ (48,292.53)	\$ (626,700.62)
- Tax (20.5%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Net Income	\$ (56,134.13)	\$ (55,625.96)	\$ (55,095.11)	\$ (54,540.57)	\$ (53,961.29)	\$ (53,356.14)	\$ (52,724.00)	\$ (52,063.63)	\$ (51,373.80)	\$ (50,653.18)	\$ (49,900.39)	\$ (49,114.01)	\$ (48,292.53)	\$ (626,700.62)
+ Depreciation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Cash Flow from Operations	\$ (56,134.13)	\$ (55,625.96)	\$ (55,095.11)	\$ (54,540.57)	\$ (53,961.29)	\$ (53,356.14)	\$ (52,724.00)	\$ (52,063.63)	\$ (51,373.80)	\$ (50,653.18)	\$ (49,900.39)	\$ (49,114.01)	\$ (48,292.53)	\$ (626,700.62)
- Acquisition of New equipment PP&E	\$ -	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (7,500.00)	\$ (90,000.01)
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow	\$ (56,134.13)	\$ (63,125.96)	\$ (62,595.11)	\$ (62,040.58)	\$ (61,461.29)	\$ (60,856.15)	\$ (60,224.00)	\$ (59,563.63)	\$ (58,873.80)	\$ (58,153.18)	\$ (57,400.39)	\$ (56,614.01)	\$ (55,792.53)	\$ (716,700.63)
Acumulated FCF	\$ (56,134.13)	\$ (119,260.09)	\$ (181,855.20)	\$ (243,895.78)	\$ (305,357.07)	\$ (366,213.21)	\$ (426,437.21)	\$ (486,000.84)	\$ (544,874.64)	\$ (603,027.82)	\$ (660,428.21)	\$ (717,042.22)	\$ (772,834.75)	
EBTIDA	\$ (56,134.13)	\$ (55,625.96)	\$ (55,095.11)	\$ (54,540.57)	\$ (53,961.29)	\$ (53,356.14)	\$ (52,724.00)	\$ (52,063.63)	\$ (51,373.80)	\$ (50,653.18)	\$ (49,900.39)	\$ (49,114.01)	\$ (48,292.53)	\$ (626,700.62)

Source: Elaborated by the author (2019).

Low Investment Scenario & Pessimistic Growth Year 2

FREE CASH FLOW STATEMENT

MARKETING INVESTMENT SCENARIOS													
LOW SCENARIO													
GROWTH RATE													
PESSIMISTIC GROWTH													
	Month 13	Month 14	Month 15	Month 16	Month 17	Month 18	Month 19	Month 20	Month 21	Month 22	Month 23	Month 24	Total Year 2
Market %	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Market Growth	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	54%
# of active users	3,330	3,478	3,633	3,796	3,965	4,142	4,327	4,520	4,722	4,932	5,152	5,382	51,378
Revenue	\$ 9,549.66	\$ 10,533.67	\$ 11,561.61	\$ 12,635.42	\$ 13,757.15	\$ 14,928.95	\$ 16,153.05	\$ 17,431.78	\$ 18,767.58	\$ 20,163.00	\$ 21,620.69	\$ 23,143.44	\$ 190,246.00
- Cost of Revenue	\$ (849.92)	\$ (937.50)	\$ (1,028.98)	\$ (1,124.55)	\$ (1,224.39)	\$ (1,328.68)	\$ (1,437.62)	\$ (1,551.43)	\$ (1,670.31)	\$ (1,794.51)	\$ (1,924.24)	\$ (2,059.77)	\$ (16,931.89)
= Gross Profit	\$ 8,699.74	\$ 9,596.18	\$ 10,532.62	\$ 11,510.87	\$ 12,532.77	\$ 13,600.28	\$ 14,715.43	\$ 15,880.35	\$ 17,097.27	\$ 18,368.49	\$ 19,696.45	\$ 21,083.68	\$ 173,314.11
- Depreciation	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (4,125.00)	\$ (49,500.01)
- SG&A	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (75,134.13)	\$ (901,609.53)
Administrative Expenses	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (9,500.00)	\$ (114,000.00)
Infrastructure Expenses	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (10,000.00)	\$ (120,000.00)
Marketing Expenses	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (97,609.41)
Human Resources	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (47,500.01)	\$ (570,000.12)
- Interest	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax	\$ (70,559.39)	\$ (69,662.95)	\$ (68,726.50)	\$ (67,748.26)	\$ (66,726.36)	\$ (65,658.85)	\$ (64,543.70)	\$ (63,378.78)	\$ (62,161.86)	\$ (60,890.64)	\$ (59,562.68)	\$ (58,175.45)	\$ (777,795.43)
- Tax (20.5%)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Net Income	\$ (70,559.39)	\$ (69,662.95)	\$ (68,726.50)	\$ (67,748.26)	\$ (66,726.36)	\$ (65,658.85)	\$ (64,543.70)	\$ (63,378.78)	\$ (62,161.86)	\$ (60,890.64)	\$ (59,562.68)	\$ (58,175.45)	\$ (777,795.43)
+ Depreciation	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 4,125.00	\$ 49,500.01
= Cash Flow from Operations	\$ (66,434.39)	\$ (65,537.95)	\$ (64,601.50)	\$ (63,623.26)	\$ (62,601.36)	\$ (61,533.85)	\$ (60,418.70)	\$ (59,253.78)	\$ (58,036.86)	\$ (56,765.64)	\$ (55,437.68)	\$ (54,050.45)	\$ (728,295.42)
- Acquisition of New equipment PP&E	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (15,416.67)	\$ (185,000.03)
- Changes in Working Capital	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow	\$ (81,851.06)	\$ (80,954.62)	\$ (80,018.17)	\$ (79,039.93)	\$ (78,018.03)	\$ (76,950.52)	\$ (75,835.37)	\$ (74,670.44)	\$ (73,453.53)	\$ (72,182.31)	\$ (70,854.35)	\$ (69,467.12)	\$ (913,295.45)
Acumulated FCF	\$ (854,685.82)	\$ (935,640.44)	\$ (1,015,658.61)	\$ (1,094,698.54)	\$ (1,172,716.57)	\$ (1,249,667.09)	\$ (1,325,502.46)	\$ (1,400,172.90)	\$ (1,473,626.43)	\$ (1,545,808.74)	\$ (1,616,663.09)	\$ (1,686,130.20)	
EBTIDA	\$ (66,434.39)	\$ (65,537.95)	\$ (64,601.50)	\$ (63,623.26)	\$ (62,601.36)	\$ (61,533.85)	\$ (60,418.70)	\$ (59,253.78)	\$ (58,036.86)	\$ (56,765.64)	\$ (55,437.68)	\$ (54,050.45)	\$ (728,295.42)

Source: Elaborated by the author (2019).

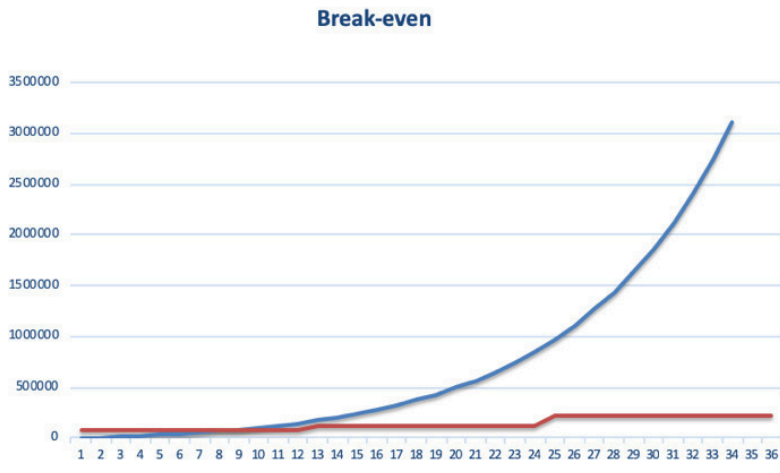
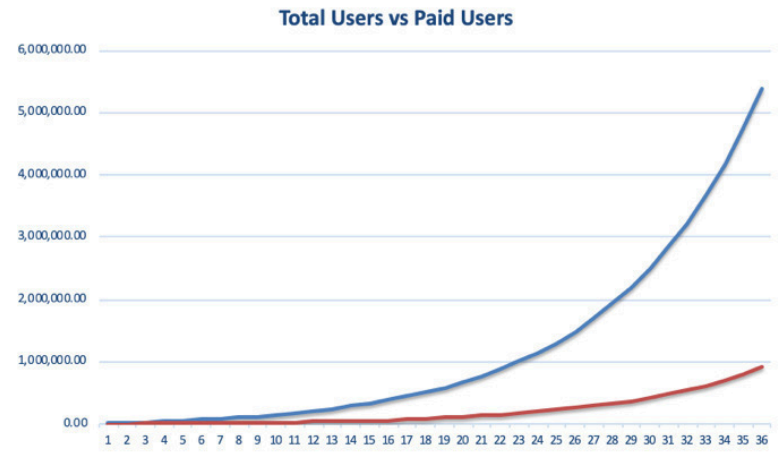
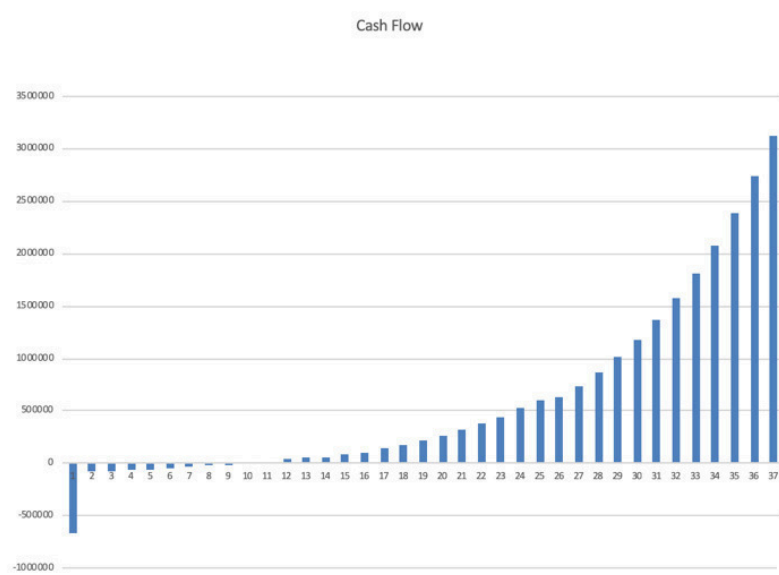
Low Investment Scenario & Pessimistic Growth Year 3

MARKETING INVESTMENT SCENARIOS		FREE CASH FLOW STATEMENT												
LOW SCENARIO														
GROWTH RATE		YEAR 3												Total Year 3
PESSIMISTIC GROWTH		Month 25	Month 26	Month 27	Month 28	Month 29	Month 30	Month 31	Month 32	Month 33	Month 34	Month 35	Month 36	
Market %		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Market Growth		4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	4.5%	54%
# of active users		5,623	5,873	6,136	6,409	6,696	6,994	7,307	7,633	7,973	8,329	8,701	9,089	86,762
Revenue		\$ 24,734.16	\$ 26,395.86	\$ 28,131.73	\$ 29,945.08	\$ 31,839.35	\$ 33,818.16	\$ 35,885.29	\$ 38,044.68	\$ 40,300.44	\$ 42,656.88	\$ 45,118.48	\$ 47,689.95	\$ 424,560.07
- Cost of Revenue		\$ (2,201.34)	\$ (2,349.23)	\$ (2,503.72)	\$ (2,665.11)	\$ (2,833.70)	\$ (3,009.82)	\$ (3,193.79)	\$ (3,385.98)	\$ (3,586.74)	\$ (3,796.46)	\$ (4,015.55)	\$ (4,244.41)	\$ (37,785.85)
= Gross Profit		\$ 22,532.82	\$ 24,046.63	\$ 25,628.01	\$ 27,279.96	\$ 29,005.65	\$ 30,808.35	\$ 32,691.50	\$ 34,658.70	\$ 36,713.70	\$ 38,860.42	\$ 41,102.94	\$ 43,445.55	\$ 386,774.23
- Depreciation		\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (10,747.92)	\$ (128,975.02)
- SG&A		\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (169,367.47)	\$ (2,032,409.61)
Administrative Expenses		\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (19,200.00)	\$ (230,400.00)
Infrastructure Expenses		\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (16,200.00)	\$ (194,400.00)
Marketing Expenses		\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (8,134.12)	\$ (97,609.41)
Human Resources		\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (125,833.35)	\$ (1,510,000.20)
- Interest		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Earnings Before Tax		\$ (157,582.57)	\$ (156,068.75)	\$ (154,487.38)	\$ (152,835.42)	\$ (151,109.74)	\$ (149,307.04)	\$ (147,423.88)	\$ (145,456.68)	\$ (143,401.68)	\$ (141,254.97)	\$ (139,012.45)	\$ (136,669.84)	\$ (1,774,610.40)
- Tax (20.5%)		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Net Income		\$ (157,582.57)	\$ (156,068.75)	\$ (154,487.38)	\$ (152,835.42)	\$ (151,109.74)	\$ (149,307.04)	\$ (147,423.88)	\$ (145,456.68)	\$ (143,401.68)	\$ (141,254.97)	\$ (139,012.45)	\$ (136,669.84)	\$ (1,774,610.40)
+ Depreciation		\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 10,747.92	\$ 128,975.02
= Cash Flow from Operations		\$ (146,834.65)	\$ (145,320.84)	\$ (143,739.46)	\$ (142,087.50)	\$ (140,361.82)	\$ (138,559.12)	\$ (136,675.96)	\$ (134,708.76)	\$ (132,653.77)	\$ (130,507.05)	\$ (128,264.53)	\$ (125,921.92)	\$ (1,645,635.39)
- Acquisition of New equipment PP&E		\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (20,000.00)	\$ (240,000.04)
- Changes in Working Capital		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
+ Working Capital Recovery		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
= Free Cash Flow		\$ (166,834.65)	\$ (165,320.84)	\$ (163,739.46)	\$ (162,087.51)	\$ (160,361.82)	\$ (158,559.12)	\$ (156,675.97)	\$ (154,708.77)	\$ (152,653.77)	\$ (150,507.05)	\$ (148,264.53)	\$ (145,921.93)	\$ (1,885,635.42)
Acumulated FCF		\$ (1,852,964.86)	\$ (2,018,285.70)	\$ (2,182,025.16)	\$ (2,344,112.66)	\$ (2,504,474.49)	\$ (2,663,033.61)	\$ (2,819,709.58)	\$ (2,974,418.35)	\$ (3,127,072.11)	\$ (3,277,579.17)	\$ (3,425,843.70)	\$ (3,571,765.63)	
EBTIDA		\$ (146,834.65)	\$ (145,320.84)	\$ (143,739.46)	\$ (142,087.50)	\$ (140,361.82)	\$ (138,559.12)	\$ (136,675.96)	\$ (134,708.76)	\$ (132,653.77)	\$ (130,507.05)	\$ (128,264.53)	\$ (125,921.92)	\$ (1,645,635.39)

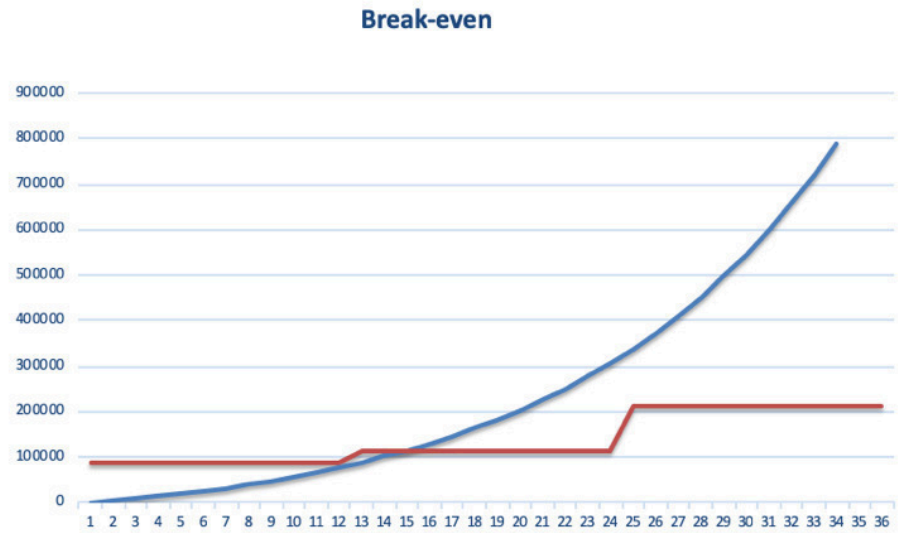
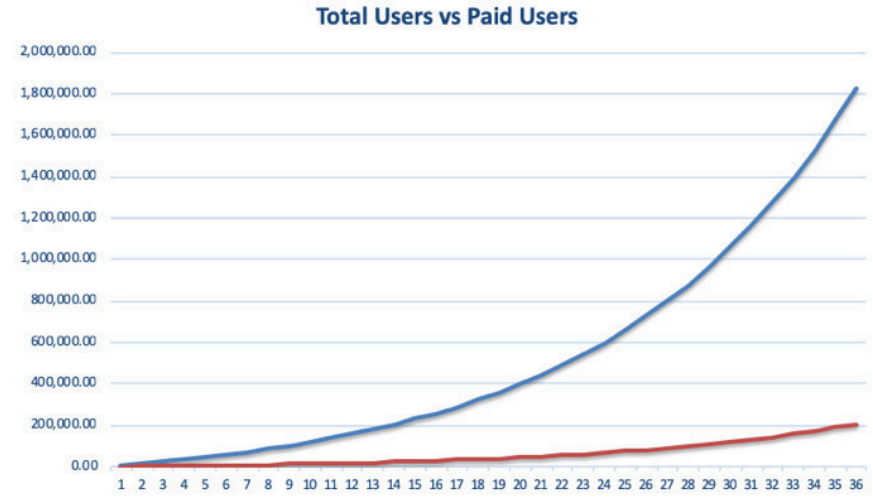
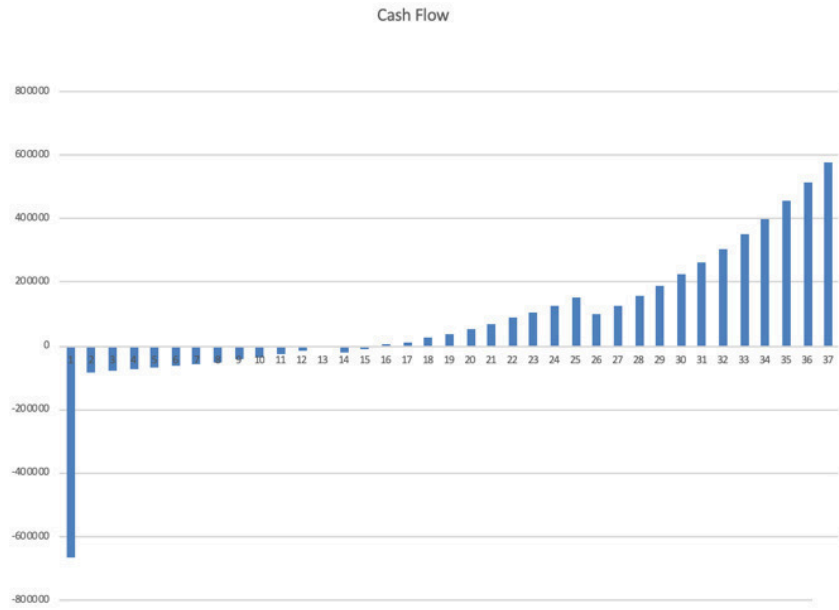
Source: Elaborated by the author (2019).

APENDIX D – GRAPHICAL RESULT ANALYSIS

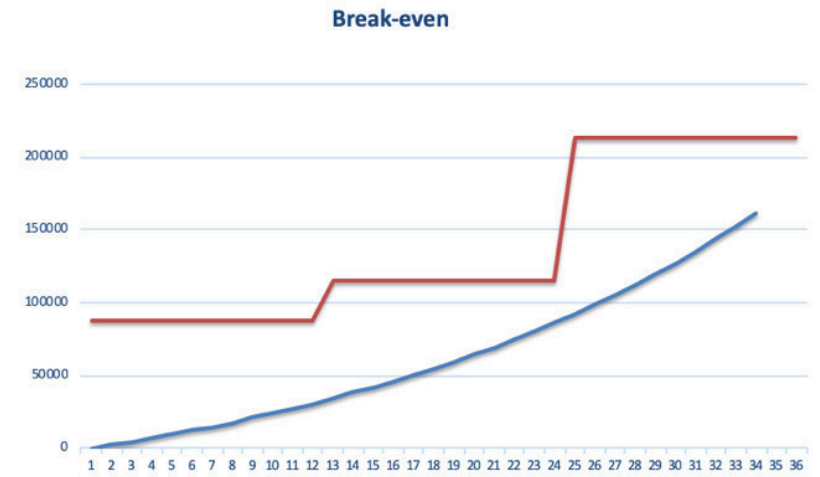
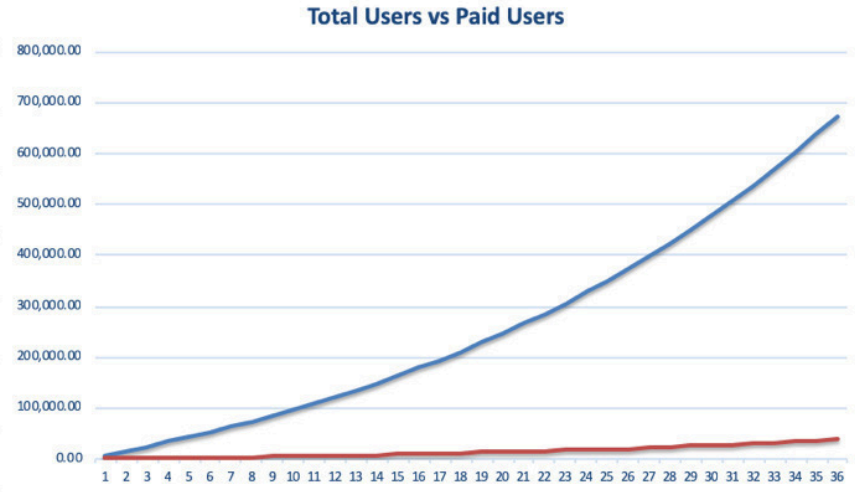
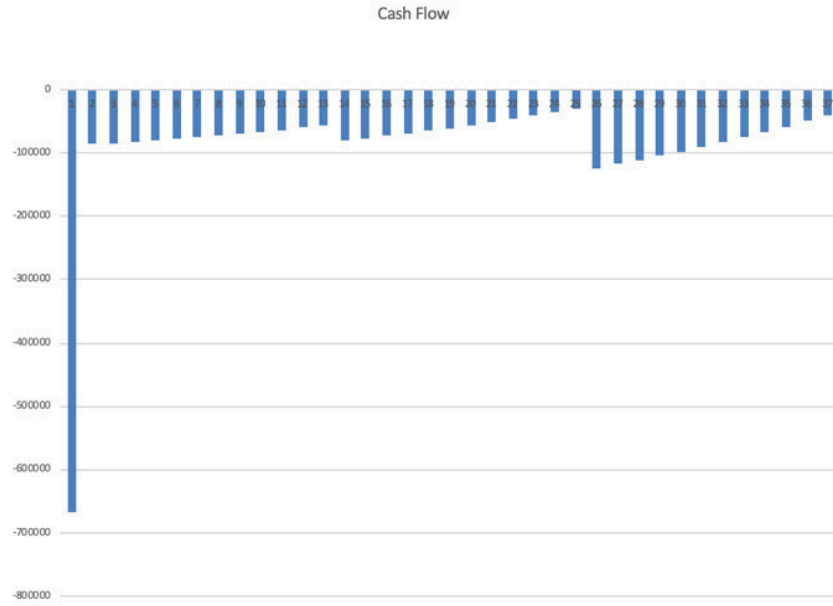
High Investment Scenario & Optimistic Growth - Source: Elaborated by the author (2019).



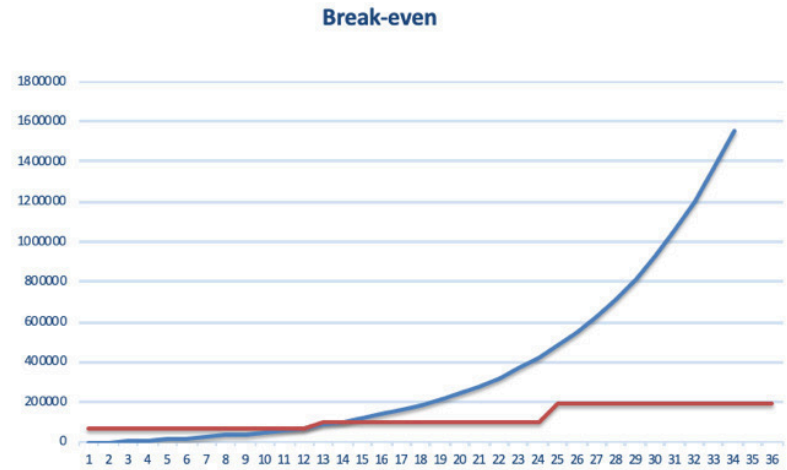
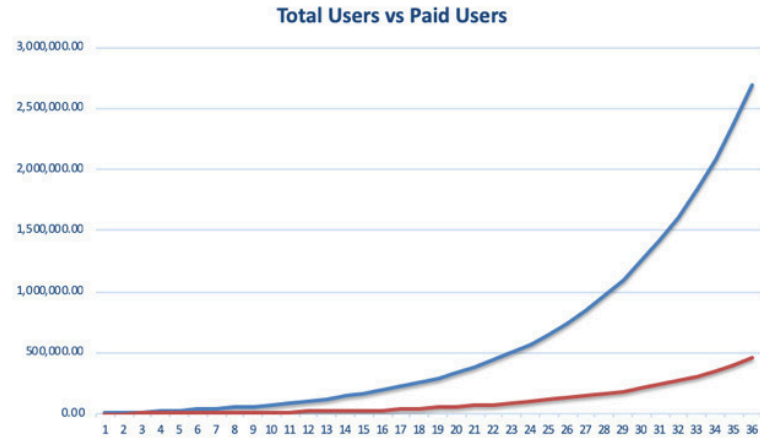
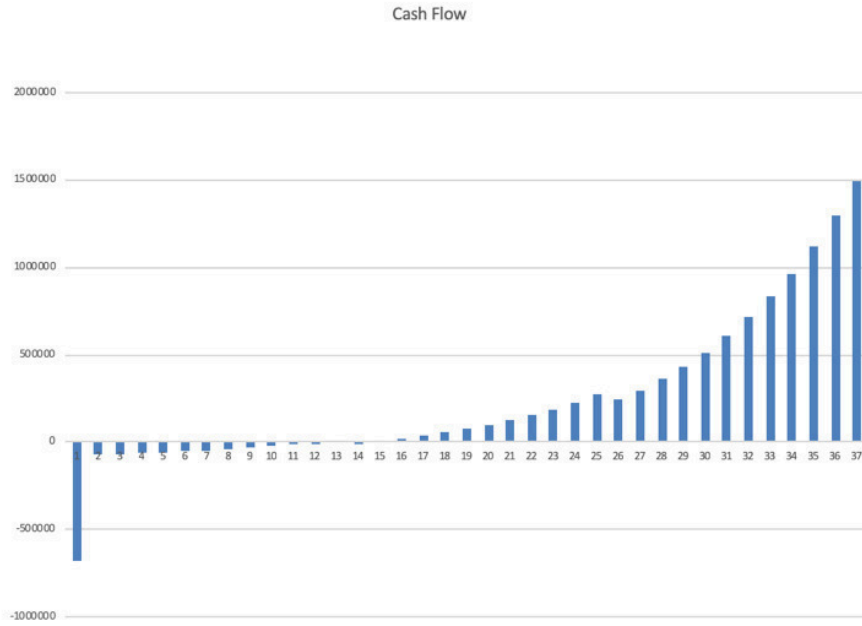
High Investment Scenario & Normal Growth - Source: Elaborated by the author (2019).



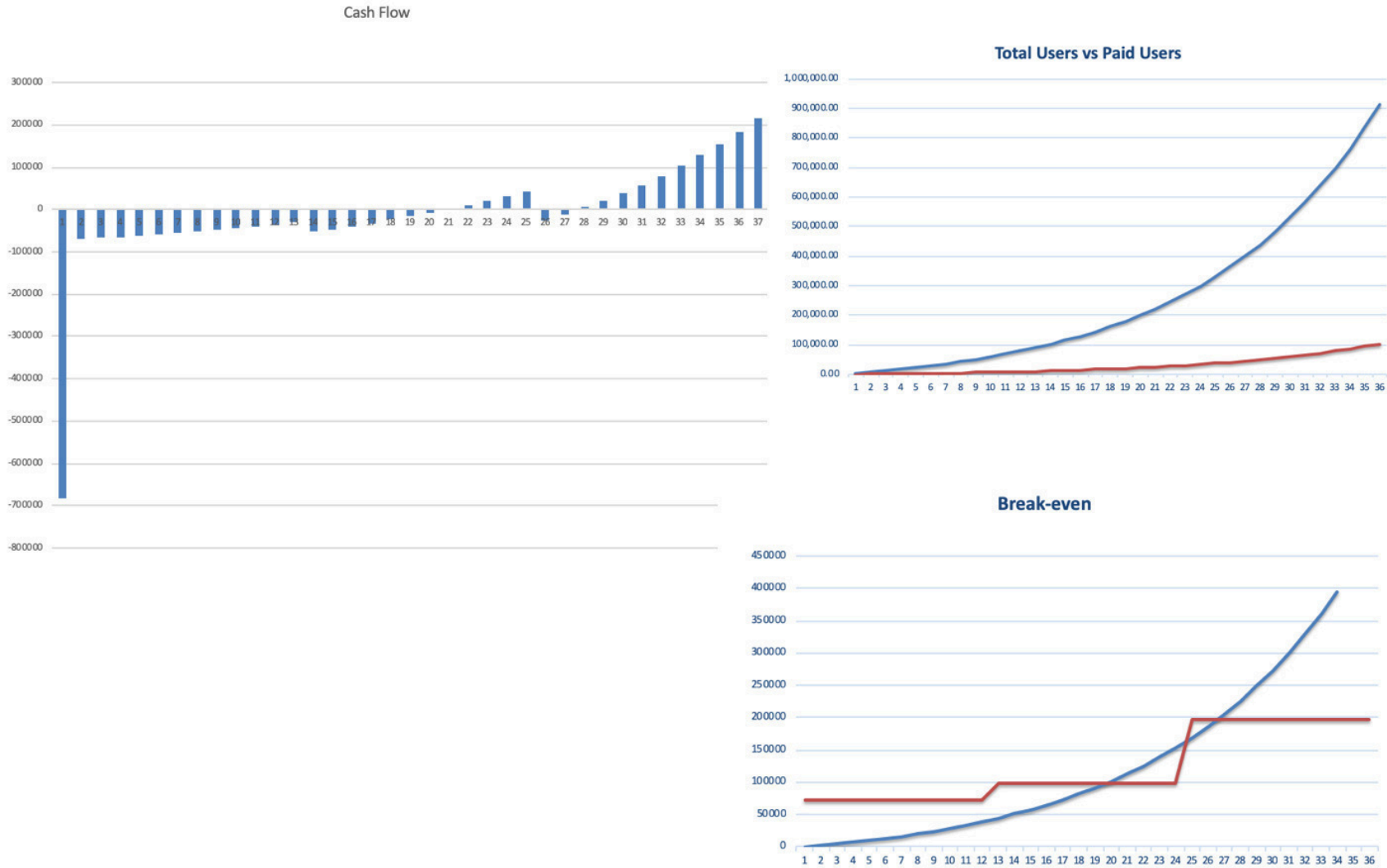
High Investment Scenario & Pessimistic Growth - Source: Elaborated by the author (2019).



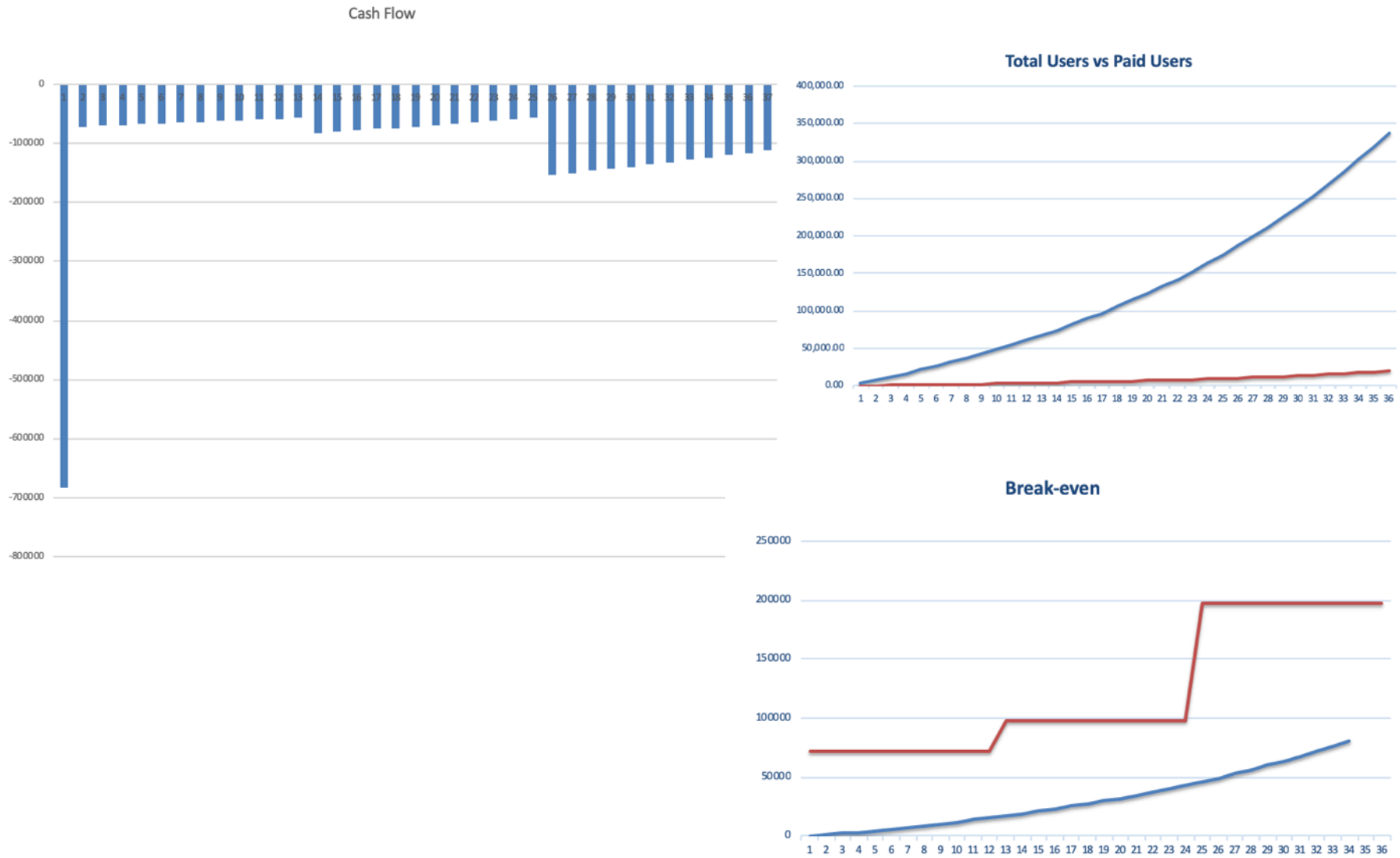
Regular Investment Scenario & Optimistic Growth - Source: Elaborated by the author (2019).



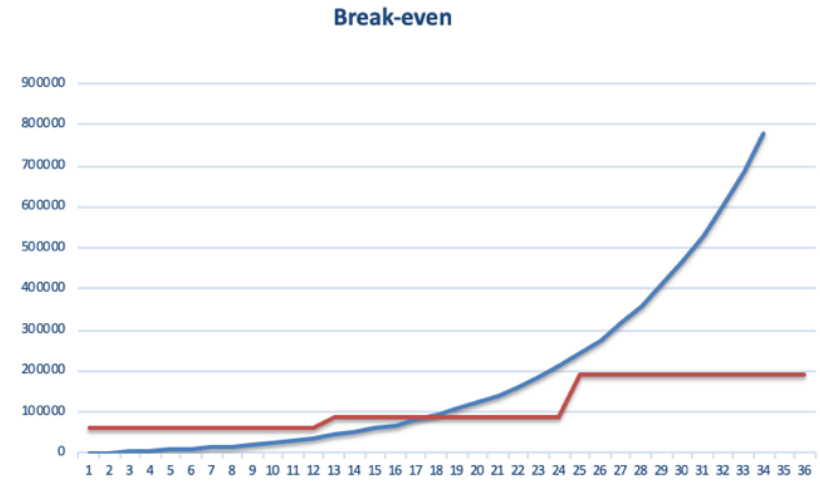
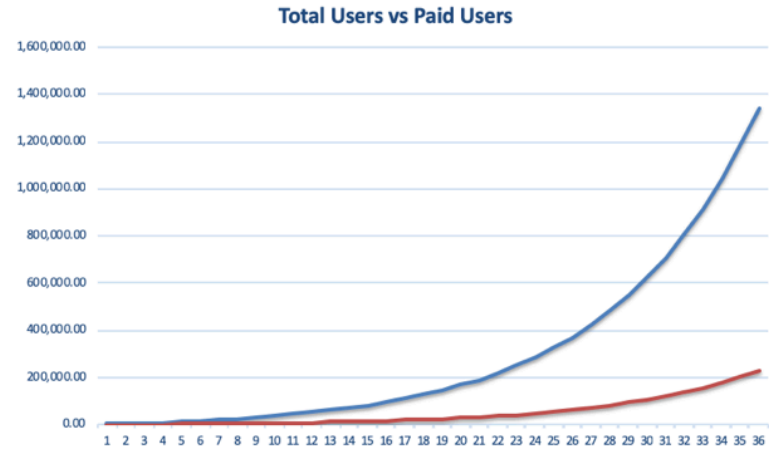
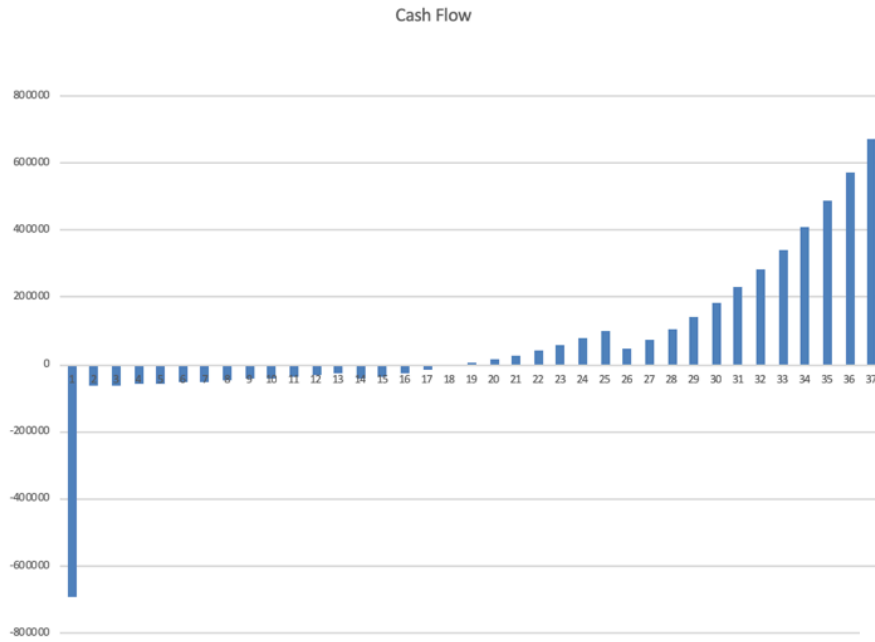
Regular Investment Scenario & Normal Growth - Source: Elaborated by the author (2019).



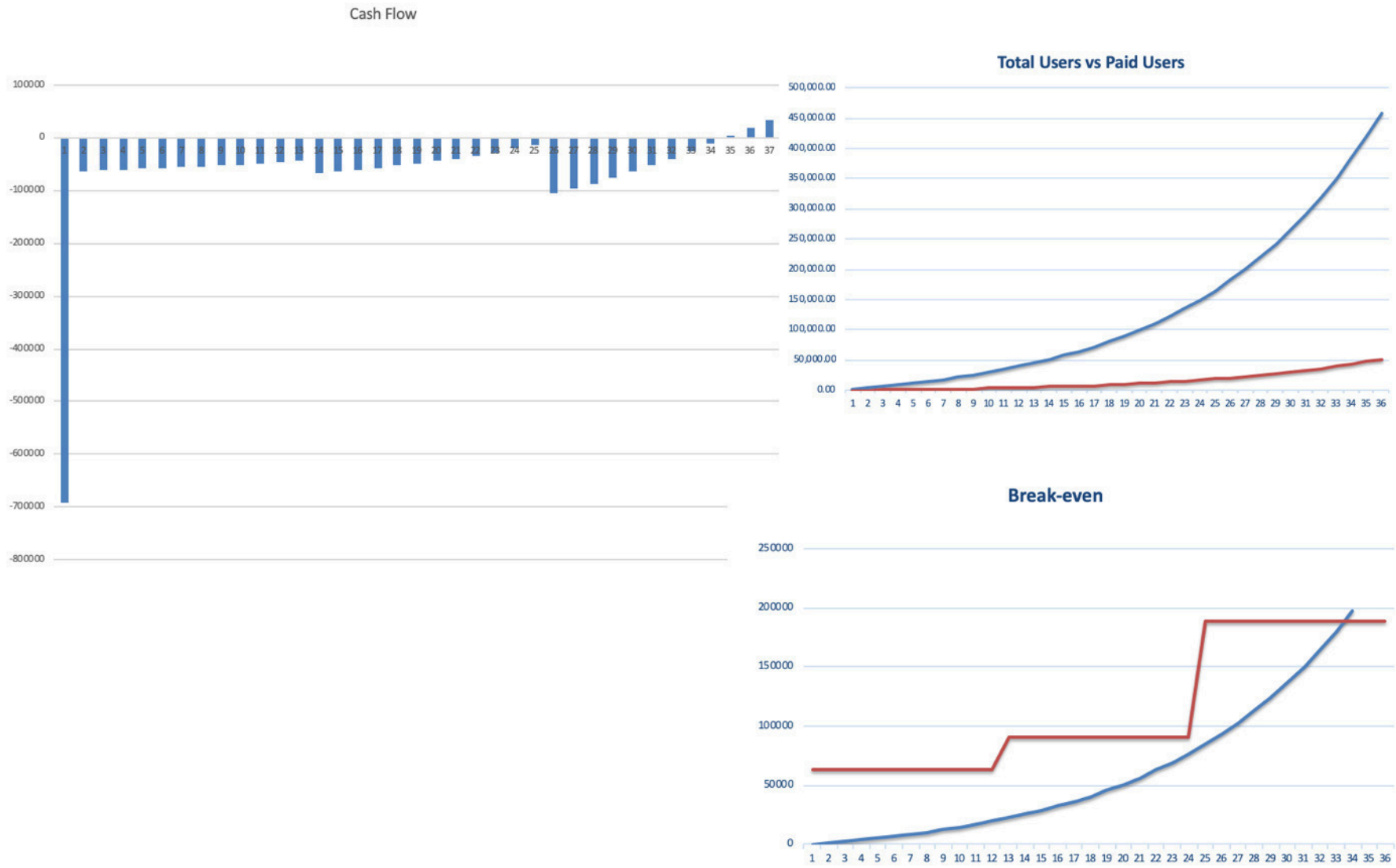
Regular Investment Scenario & Pessimistic Growth - Source: Elaborated by the author (2019).



Low Investment Scenario & Optimistic Growth - Source: Elaborated by the author (2019).



Low Investment Scenario & Normal Growth - Source: Elaborated by the author (2019).



Low Investment Scenario & Pessimistic Growth - Source: Elaborated by the author (2019).

