PHOTO DISCO

Investor Financial Model

18-month projected P&L, unit economics, and use of funds

CAPITAL RAISE

$1.0M

Primary fundraising case

FORECAST PERIOD

18 months

Nov 2026 through Apr 2028

MONTH 18 MAU

10,000

Planning target

OPERATING SPEND

$865K

Excludes controlled reserve

STRATEGIC RESERVE

$135K

Held until evidence supports release

ENDING CASH

$230K

Includes projected revenue

FORECAST BASIS

Photo Disco is currently pre-revenue. All revenue, acquisition, conversion, retention, partner, and operating assumptions shown in this model are forward-looking management estimates. They are intended to define a measurable operating plan and will be updated as cohort and commercial performance data become available.

PHOTO DISCO — 18-MONTH PROJECTED P&L + CASH RUNWAY

Pre-revenue starting point • Base planning case • all forecast figures are assumptions until measured.

Forecast	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	18-Month Total
Monthly active users (MAU)	250	300	400	550	750	1,000	1,500	2,200	3,000	3,500	4,000	5,000	5,750	6,500	7,500	8,300	9,200	10,000	10,000
Monthly subscription conversion	0.3%	0.3%	0.5%	0.5%	0.8%	0.8%	1.0%	1.0%	1.3%	1.3%	1.5%	1.5%	1.5%	1.8%	1.8%	2.0%	2.0%	2.0%	2.0%
Annual subscription conversion	0.1%	0.1%	0.2%	0.3%	0.3%	0.4%	0.4%	0.5%	0.5%	0.5%	0.6%	0.7%	0.7%	0.8%	0.9%	1.0%	1.0%	1.0%	1.0%
Monthly pack purchase rate	0.3%	0.3%	0.5%	0.5%	0.8%	0.8%	1.0%	1.0%	1.3%	1.3%	1.5%	1.5%	1.5%	1.8%	1.8%	2.0%	2.0%	2.0%	2.0%
REVENUE																			
Monthly subscription revenue	$4	$5	$14	$19	$39	$52	$105	$154	$262	$306	$419	$524	$603	$795	$917	$1,160	$1,286	$1,398	$8,065
Annual subscription revenue recognized monthly	$1	$1	$3	$6	$9	$15	$25	$41	$62	$80	$100	$135	$168	$217	$281	$346	$383	$417	$2,291
One-time prompt-pack revenue	$3	$4	$10	$14	$28	$37	$75	$110	$187	$218	$299	$374	$430	$568	$655	$828	$918	$998	$5,757
Rewarded advertising revenue	$30	$36	$48	$66	$90	$120	$180	$264	$360	$420	$480	$600	$690	$780	$900	$996	$1,104	$1,200	$8,364
Paid venue activations — count	-	-	-	-	-	-	-	1	-	1	1	1	1	1	2	2	2	2	14
Paid venue activation revenue	-	-	-	-	-	-	-	$2,500	-	$2,500	$2,500	$2,500	$2,500	$2,500	$5,000	$5,000	$5,000	$5,000	$35,000
Branded challenges — count	-	-	-	-	-	-	-	-	-	1	-	-	1	-	-	1	-	1	4
Branded challenge revenue	-	-	-	-	-	-	-	-	-	$10,000	-	-	$10,000	-	-	$10,000	-	$10,000	$40,000
Gross revenue	**$39**	**$46**	**$75**	**$105**	**$167**	**$224**	**$385**	**$3,069**	**$872**	**$13,524**	**$3,799**	**$4,134**	**$14,391**	**$4,859**	**$7,754**	**$18,330**	**$8,692**	**$19,013**	**$99,477**
Less: store / platform fees	**($3)**	**($3)**	**($8)**	**($12)**	**($23)**	**($31)**	**($61)**	**($91)**	**($154)**	**($181)**	**($246)**	**($310)**	**($360)**	**($474)**	**($556)**	**($700)**	**($776)**	**($844)**	**($4,834)**
Net revenue	**$36**	**$43**	**$67**	**$93**	**$144**	**$193**	**$323**	**$2,977**	**$718**	**$13,343**	**$3,553**	**$3,824**	**$14,031**	**$4,386**	**$7,197**	**$17,630**	**$7,915**	**$18,169**	**$94,643**
OPERATING EXPENSES — APPROVED SPEND PLAN																			
Core team compensation + employer costs	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$315,000
Creator, social + community campaigns	$2,698	$4,048	$5,397	$8,095	$9,444	$10,794	$10,794	$12,143	$13,492	$13,492	$13,492	$13,492	$12,143	$10,794	$9,444	$8,095	$6,746	$5,397	$170,000
Paid growth testing + scaling	$1,020	$1,020	$2,041	$3,061	$4,082	$5,102	$5,102	$6,122	$7,143	$8,163	$8,163	$8,163	$8,163	$8,163	$7,143	$6,122	$6,122	$5,105	$100,000
Content + creative production	$1,757	$2,635	$3,514	$3,514	$4,392	$4,392	$4,392	$4,392	$4,392	$4,392	$4,392	$4,392	$3,514	$3,514	$3,514	$2,635	$2,635	$2,632	$65,000
Events, venue activations + brand pilots	-	$1,000	$1,000	$2,000	$2,000	$3,000	$3,000	$4,000	$4,000	$5,000	$5,000	$5,000	$5,000	$4,000	$4,000	$4,000	$4,000	$4,000	$60,000
Product infrastructure + technical specialists	$4,808	$4,808	$3,846	$2,885	$2,885	$2,885	$1,923	$1,923	$2,885	$1,923	$1,923	$1,923	$1,923	$1,923	$1,923	$1,923	$2,885	$4,806	$50,000
International market testing	-	-	-	-	-	-	$1,346	$1,346	$2,692	$2,692	$4,038	$4,038	$4,038	$4,038	$2,692	$2,692	$2,692	$2,696	$35,000
Legal, accounting, insurance + operations	$8,033	$5,738	$4,590	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,437	$70,000
Total operating expenses	**$35,816**	**$36,749**	**$37,888**	**$40,498**	**$43,746**	**$47,116**	**$47,500**	**$50,869**	**$55,547**	**$56,605**	**$57,951**	**$57,951**	**$55,724**	**$53,375**	**$49,659**	**$46,410**	**$46,023**	**$45,573**	**$865,000**
Operating profit / (loss)	**($35,780)**	**($36,706)**	**($37,821)**	**($40,405)**	**($43,602)**	**($46,923)**	**($47,177)**	**($47,892)**	**($54,829)**	**($43,262)**	**($54,398)**	**($54,127)**	**($41,693)**	**($48,989)**	**($42,462)**	**($28,780)**	**($38,108)**	**($27,404)**	**($770,357)**
CASH RUNWAY																			
Beginning cash	-	$964,220	$927,514	$889,693	$849,288	$805,686	$758,763	$711,586	$663,695	$608,866	$565,604	$511,206	$457,079	$415,386	$366,396	$323,935	$295,155	$257,047	
Financing inflow	$1,000,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$1,000,000
Net cash flow	$964,220	($36,706)	($37,821)	($40,405)	($43,602)	($46,923)	($47,177)	($47,892)	($54,829)	($43,262)	($54,398)	($54,127)	($41,693)	($48,989)	($42,462)	($28,780)	($38,108)	($27,404)	$229,643
Ending cash	**$964,220**	**$927,514**	**$889,693**	**$849,288**	**$805,686**	**$758,763**	**$711,586**	**$663,695**	**$608,866**	**$565,604**	**$511,206**	**$457,079**	**$415,386**	**$366,396**	**$323,935**	**$295,155**	**$257,047**	**$229,643**	**$229,643**
Minimum protected strategic reserve	$135,000	$135,000	$135,000	$135,000	$135,000	$135,000	$135,000	$135,000	$135,000	$135,000	$135,000	$135,000	$135,000	$135,000	$135,000	$135,000	$135,000	$135,000	$135,000

Model interpretation: subscription revenue, annual-plan revenue, one-time pack purchases, and advertising are calculated separately. Store fees apply only to subscriptions and packs. The Base case begins at $0 historical revenue, reaches the Month 18 target of 10,000 MAU, and keeps the strategic reserve unspent unless evidence supports its release.

PHOTO DISCO — UNIT ECONOMICS

Planning sensitivity for consumer, venue, and brand revenue paths • replace assumptions with measured data.

CONSUMER ECONOMICS

Metric	Downside	Base	Upside	Decision meaning
Cost per install	$3.00	$1.75	$1.10	Test by channel and creative
Activation rate	45.0%	60.0%	70.0%	Completes first game and shows an early return signal
Cost per activated player	$6.67	$2.92	$1.57	Acquisition cost divided by activation
Monthly subscription conversion	0.5%	2.0%	3.0%	Active monthly subscribers as a share of MAU
Annual subscription conversion	0.3%	1.0%	1.5%	Active annual subscribers as a share of MAU
Monthly pack purchase rate	0.8%	2.0%	4.0%	One-time pack purchases per MAU each month
Monthly subscription price	$6.99	$6.99	$6.99	Recurring monthly price
Annual subscription price	$49.99	$49.99	$49.99	Annual price recognized over 12 months
Prompt-pack price	$4.99	$4.99	$4.99	Representative one-time pack price
Ad revenue per MAU	$0.05	$0.12	$0.20	Rewarded advertising only
Variable service cost per MAU	$0.04	$0.03	$0.03	Usage-linked cloud and validation costs
Average active lifetime	6.0	10.0	14.0	Replace with observed retention curve
Store / platform fee	30.0%	30.0%	15.0%	Applied only to subscriptions and packs
Monthly subscription revenue per MAU	$0.03	$0.14	$0.21	Monthly conversion × monthly price
Annual subscription revenue per MAU	$0.01	$0.04	$0.06	Annual conversion × annual price ÷ 12
Pack revenue per MAU	$0.04	$0.10	$0.20	Pack purchase rate × pack price
Net contribution per MAU per month	**$0.07**	**$0.29**	**$0.58**	**Net subscriptions + packs + ads − service cost**
Estimated LTV per acquired player	**$0.41**	**$2.87**	**$8.06**	**Monthly net contribution × active lifetime**
LTV / CAC	**0.06x**	**0.98x**	**5.13x**	**>1.0x is breakeven; mature scale needs more cushion**
Estimated payback (months)	**98.1**	**10.2**	**2.7**	**Months to recover activated-player acquisition cost**

VENUE / EVENT ECONOMICS

Metric	Downside	Base	Upside	Decision meaning
Revenue per event	$1,500	$2,500	$4,000	License / hosted activation
Direct delivery cost	$1,000	$1,000	$1,200	Staff, travel, equipment, reporting
Contribution per event	$500	$1,500	$2,800	Cash contribution before overhead
Contribution margin	33.3%	60.0%	70.0%	Delivery efficiency
Repeat events per customer	1.5	3.0	5.0	Repeatability signal
Partner acquisition cost	$600	$350	$250	Sales and pilot development
Estimated partner LTV	**$150**	**$4,150**	**$13,750**	**Lifetime contribution after acquisition cost**

BRANDED CHALLENGE ECONOMICS

Metric	Downside	Base	Upside	Decision meaning
Revenue per challenge	$7,500	$10,000	$15,000	Sponsored challenge package
Direct delivery cost	$4,000	$3,500	$4,500	Creative, setup, analytics, reporting
Contribution per challenge	$3,500	$6,500	$10,500	Cash contribution before overhead
Contribution margin	46.7%	65.0%	70.0%	Delivery efficiency
Repeat challenges per customer	1.0	2.0	3.0	Repeatability signal
Partner acquisition cost	$2,000	$1,200	$900	Sales and proposal development
Estimated partner LTV	**$1,500**	**$11,800**	**$30,600**	**Lifetime contribution after acquisition cost**

BASE-CASE CONSUMER SENSITIVITY — LTV / CAC

Monthly subscription conversion →	0.5%	1.0%	1.5%	2.0%	2.5%
CPI $3.00	0.43x	0.48x	0.52x	0.57x	0.62x
CPI $2.50	0.51x	0.57x	0.63x	0.69x	0.75x
CPI $2.00	0.64x	0.71x	0.79x	0.86x	0.93x
CPI $1.50	0.85x	0.95x	1.05x	1.15x	1.25x
CPI $1.00	1.28x	1.43x	1.57x	1.72x	1.87x

How to read this: the consumer model now separates monthly subscriptions, annual subscriptions, one-time prompt packs, advertising, store fees, and usage-linked service costs. The Base case remains a planning target, not proof. Scale paid acquisition only after actual cohorts confirm activation, retention, conversion, contribution, and payback.

PHOTO DISCO — APPROVED USE OF FUNDS

$1.0M primary case • 18 months • operating spend is staged; strategic reserve remains controlled cash until released.

Category	Approved	Nov-26	Dec-26	Jan-27	Feb-27	Mar-27	Apr-27	May-27	Jun-27	Jul-27	Aug-27	Sep-27	Oct-27	Nov-27	Dec-27	Jan-28	Feb-28	Mar-28	Apr-28	Scheduled / Held
Core team compensation + employer costs	$315,000	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$17,500	$315,000
Creator, social + community campaigns	$170,000	$2,698	$4,048	$5,397	$8,095	$9,444	$10,794	$10,794	$12,143	$13,492	$13,492	$13,492	$13,492	$12,143	$10,794	$9,444	$8,095	$6,746	$5,397	$170,000
Paid growth testing + scaling	$100,000	$1,020	$1,020	$2,041	$3,061	$4,082	$5,102	$5,102	$6,122	$7,143	$8,163	$8,163	$8,163	$8,163	$8,163	$7,143	$6,122	$6,122	$5,105	$100,000
Content + creative production	$65,000	$1,757	$2,635	$3,514	$3,514	$4,392	$4,392	$4,392	$4,392	$4,392	$4,392	$4,392	$4,392	$3,514	$3,514	$3,514	$2,635	$2,635	$2,632	$65,000
Events, venue activations + brand pilots	$60,000	-	$1,000	$1,000	$2,000	$2,000	$3,000	$3,000	$4,000	$4,000	$5,000	$5,000	$5,000	$5,000	$4,000	$4,000	$4,000	$4,000	$4,000	$60,000
Product infrastructure + technical specialists	$50,000	$4,808	$4,808	$3,846	$2,885	$2,885	$2,885	$1,923	$1,923	$2,885	$1,923	$1,923	$1,923	$1,923	$1,923	$1,923	$1,923	$2,885	$4,806	$50,000
International market testing	$35,000	-	-	-	-	-	-	-	$1,346	$1,346	$2,692	$2,692	$4,038	$4,038	$4,038	$4,038	$2,692	$2,692	$2,692	$35,000
Legal, accounting, insurance + operations	$70,000	$8,033	$5,738	$4,590	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,443	$3,437	$70,000
Strategic reserve (held; release only on evidence)	$135,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	$135,000
TOTAL CAPITAL PLAN	**$1,000,000**	**$35,816**	**$36,749**	**$37,888**	**$40,498**	**$43,746**	**$47,116**	**$47,500**	**$50,869**	**$55,547**	**$56,605**	**$57,951**	**$57,951**	**$55,724**	**$53,375**	**$49,659**	**$46,410**	**$46,023**	**$45,573**	**$1,000,000**

Cash planning note: the approved $135,000 strategic reserve is not treated as an operating expense in the base P&L. It remains available for runway protection, proven growth acceleration, operating capacity, technical scaling, or high-value legal and partnership needs, subject to documented release decisions.