

BURN RATE & RUNWAY

36-Month Capital Deployment & Financial Overview | \$3.5M Seed Round

Home Studio AI's seed capital is structured to fund platform development through initial deployment while revenue generation begins in parallel. Gross monthly burn remains lean by design — the platform's commerce and supply chain model generates revenue from the first contracted partner relationship, creating a short bridge between capital deployment and operational self-sufficiency.

SEED CAPITAL \$3.5M Total Raise	MONTHLY GROSS BURN \$111K Year 1 Average	IMPLIED RUNWAY 31+ Months Burn Only (Pre-Revenue)	Y1 EBITDA \$9.1M Revenue-Funded from Q2
--	---	--	--

ANNUAL OPERATING EXPENSE SUMMARY

EXPENSE CATEGORY	2026 (Y1)	2027 (Y2)	2028 (Y3)	36-MO. TOTAL
Salaries & Benefits	\$550,000	\$1,000,000	\$2,200,000	\$3,750,000
Technology Development & Cloud	\$560,000	\$1,120,000	\$1,750,000	\$3,430,000
Sales, Marketing & Partner Network	\$100,000	\$250,000	\$600,000	\$950,000
General & Administrative	\$125,000	\$175,000	\$350,000	\$650,000
TOTAL OPERATING EXPENSES	\$1,335,000	\$2,545,000	\$4,900,000	\$8,780,000

Monthly Gross Burn: Y1 — \$111K | Y2 — \$212K | Y3 — \$408K (scales with revenue; OpEx remains <6% of revenue by Y3)

YEAR 1 QUARTERLY REVENUE RAMP vs. BURN (2026)

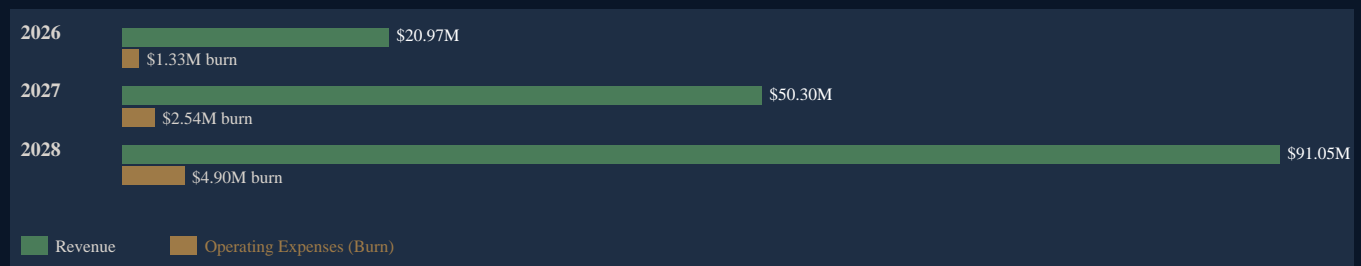
METRIC	Q1 2026	Q2 2026	Q3 2026	Q4 2026
Gross Revenue	\$2,516,667	\$4,194,446	\$6,081,946	\$8,179,169
Cost of Goods Sold	\$1,267,000	\$2,111,667	\$3,061,917	\$4,117,750
Gross Profit	\$1,249,667	\$2,082,779	\$3,020,030	\$4,061,419
Operating Expenses (Burn)	\$333,750	\$333,750	\$333,750	\$333,750
Net Cash Flow	\$915,917	\$1,749,029	\$2,686,280	\$3,727,669

Revenue ramp is conservatively weighted: 12% / 20% / 29% / 39% of annual. Gross profit exceeds operating expenses beginning in Q1, driven by the commerce and supply chain layer. Seed capital is not required to cover operations — it funds the platform build and market expansion.

36-MONTH FINANCIAL OVERVIEW

METRIC	2026 (Year 1)	2027 (Year 2)	2028 (Year 3)	36-MO. TOTAL
Total Revenue	\$20.97M	\$50.30M	\$91.05M	\$162.33M
Cost of Goods Sold	\$10.56M	\$25.65M	\$35.30M	\$71.51M
Gross Profit	\$10.41M	\$24.65M	\$55.75M	\$90.81M
Total Operating Expenses	\$1.33M	\$2.54M	\$4.90M	\$8.78M
EBITDA / Net Income	\$9.08M	\$22.10M	\$50.85M	\$82.03M
EBITDA Margin %	43.3%	43.9%	55.8%	50.5%

BURN vs. REVENUE — 3-YEAR VISUAL



RUNWAY & CAPITAL EFFICIENCY

METRIC	VALUE	NOTE
Seed Capital Raised	\$3,500,000	Rolling close; technology deployment begins at first close
Gross Monthly Burn (Y1)	\$111,250	Lean by design — scales with revenue, not ahead of it
Implied Runway (Burn Only)	31+ Months	Seed capital alone covers 31+ months of operating expenses
Breakeven Timeline	Q1–Q2 2026	Gross profit exceeds OpEx from first active partner quarter
Y1 EBITDA	\$9.1M	Platform becomes self-funding through commerce revenue
Cumulative 36-Mo. EBITDA	\$82.0M	Capital is a catalyst, not a lifeline

Projections are based on the Company's 36-month financial model and existing LOI pipeline. Revenue assumptions are conservatively ramped; burn rates reflect the P&L operating expense structure. Detailed monthly assumptions are available in the financial model upon request.

This document is for informational purposes only and does not constitute an offer to sell or solicitation of an offer to buy securities. Financial projections are forward-looking and not guaranteed. Contact: info@homestudioai.com