

Financial Roadmap: Launching a Cryptocurrency Exchange

Capital Requirements, Runway Analysis, and
Path to Profitability (Target: June 2027).



Inception
(Jan 2026)

Cash Flow Positive
(June 2027)

Strategic model based on high-frequency trading
infrastructure and strict US regulatory compliance.

Total Capital Requirement

$$\text{\$670,000} + \text{Operational Burn} = \text{\$1,261,000}$$

Initial CAPEX

Working Capital

Minimum Funding Floor

Objective: Sustain operations for 18 months until projected cash flow positive status in June 2027. Funding must bridge the gap past the peak burn in May 2027.

The Foundation: \$670k Initial Capital Expenditure

Non-negotiable technical debt. These costs cover the core trading engine, high-frequency hardware, and regulatory permission to operate.

Critical spend window:
January – June 2026.

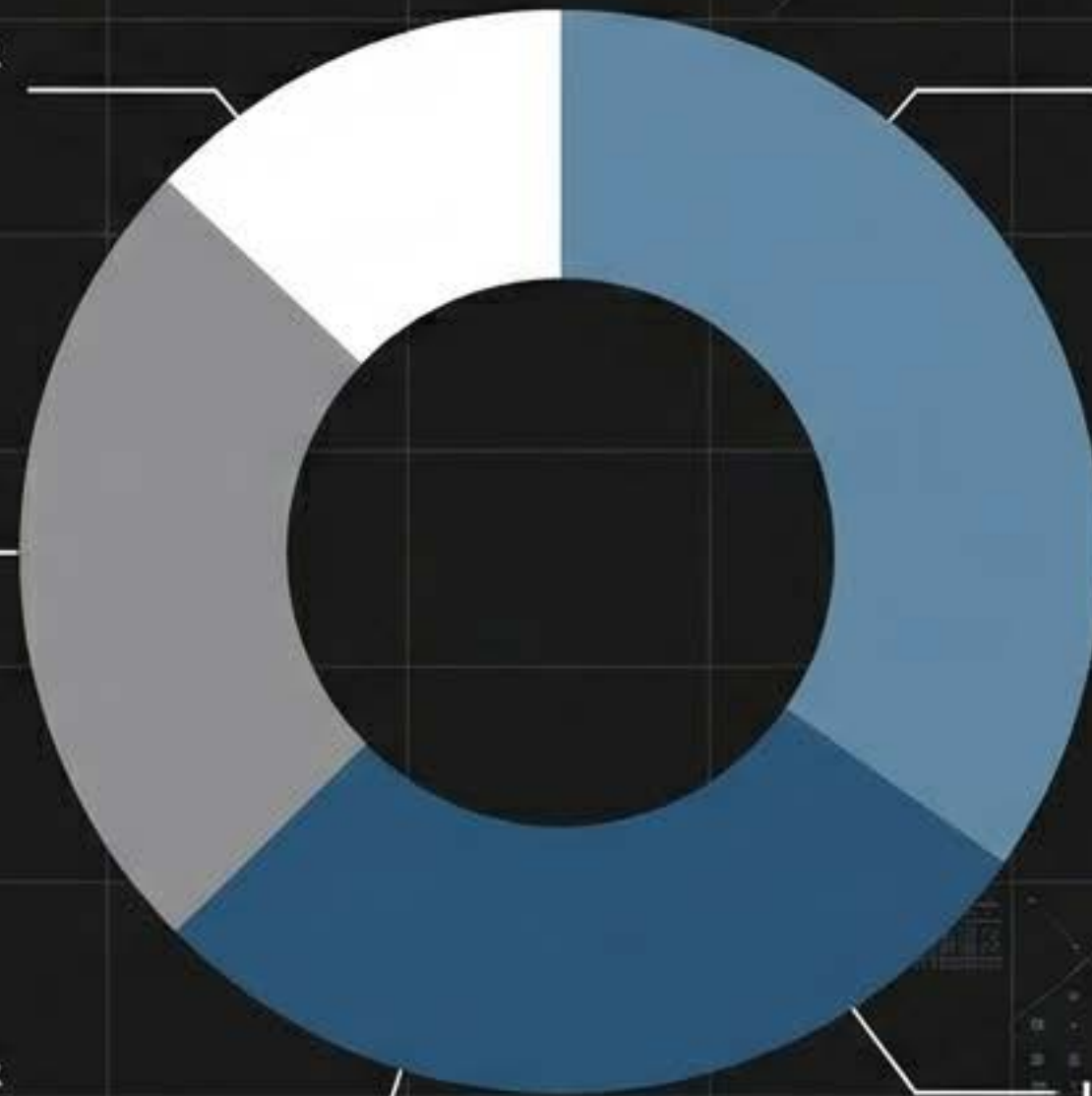
Regulatory &
Compliance
(\$75k)

Security &
Disaster
Recovery
(\$140k)

Regulatory &
Compliance
(\$75k)

Platform
Development
(\$200k)

Server
Infrastructure
(\$150k)



Startup Cost 1: Core Platform Development (\$200k)

Jan – June 2026

Trading Engine

UI Development

API Integration

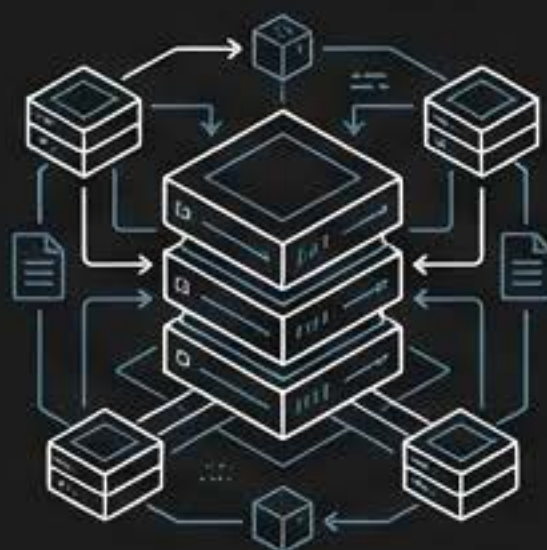
- Budget: \$200,000 (Includes 15% contingency).
- Deliverable: Minimum Viable Product (MVP) for retail users.

SCOPE RISK

Avoid building institutional features early. Stick to core matching logic. Advanced analytics tools must be delayed until post-launch to preserve cash.

Infrastructure & Security: Investing in Speed and Trust

SPEED (\$150k)



Initial Server Infrastructure (Q1 2026).

High-frequency trading servers and data processing clusters.

↳ **Strategy:** Lease specialized hardware or use reserved instances to optimize cash flow. Distinct from monthly cloud hosting (\$8k/mo).

TRUST (\$140k)



Security & Disaster Recovery.

\$100k for Intrusion Prevention + \$40k for Redundant Backups.

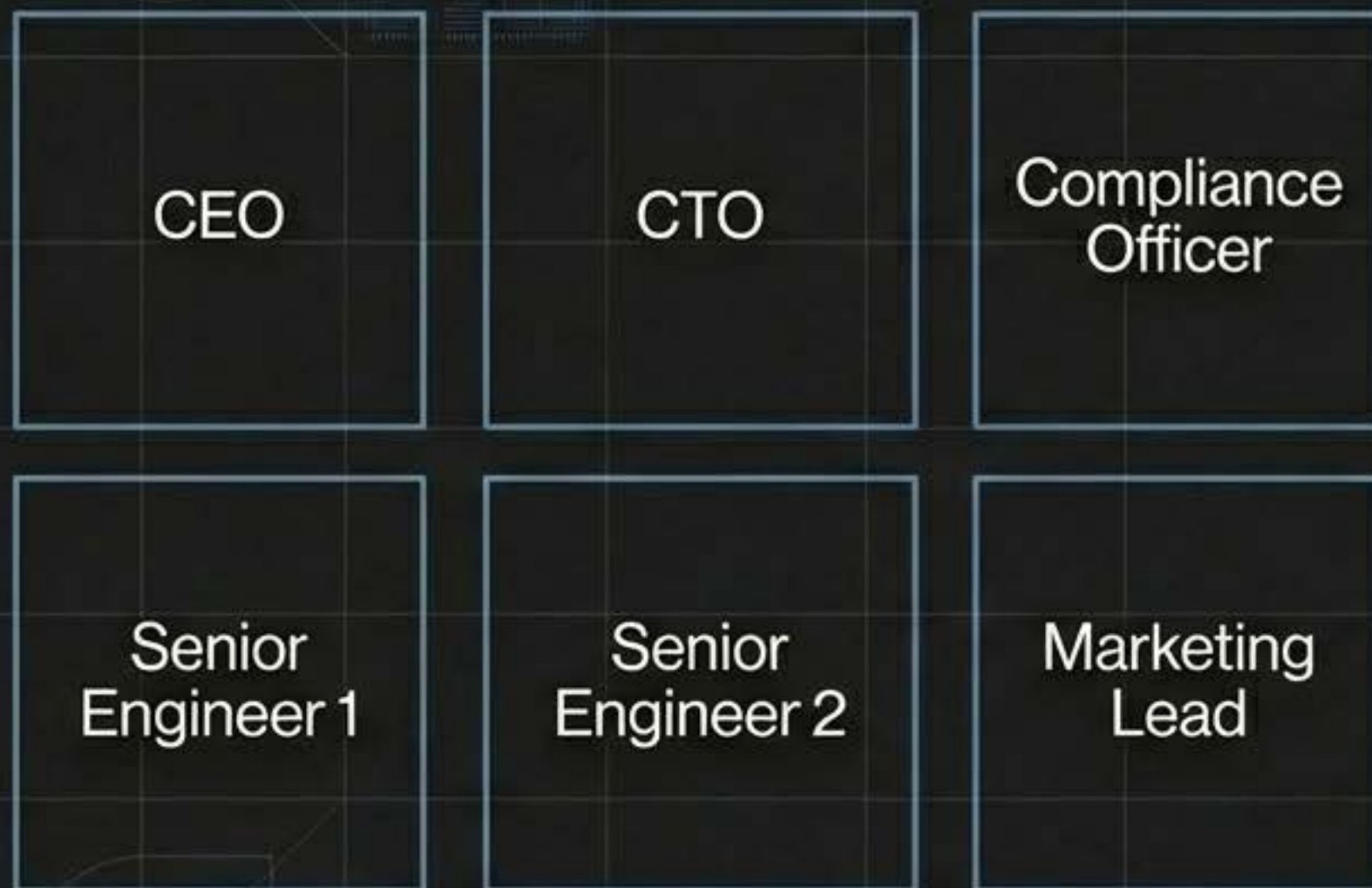
↳ **Strategy:** A cost of doing business. Negotiate 3-year support contracts to lock in rates.

Regulatory & Licensing (\$75k)



- Regulatory groundwork dictates the launch timeline. Must be secured by Mid-2026.
- **Critical Detail: Do not pay full legal fees** before finalizing target state registration to avoid jurisdiction hopping costs.

The Burn Rate: Year 1 Wages & Talent



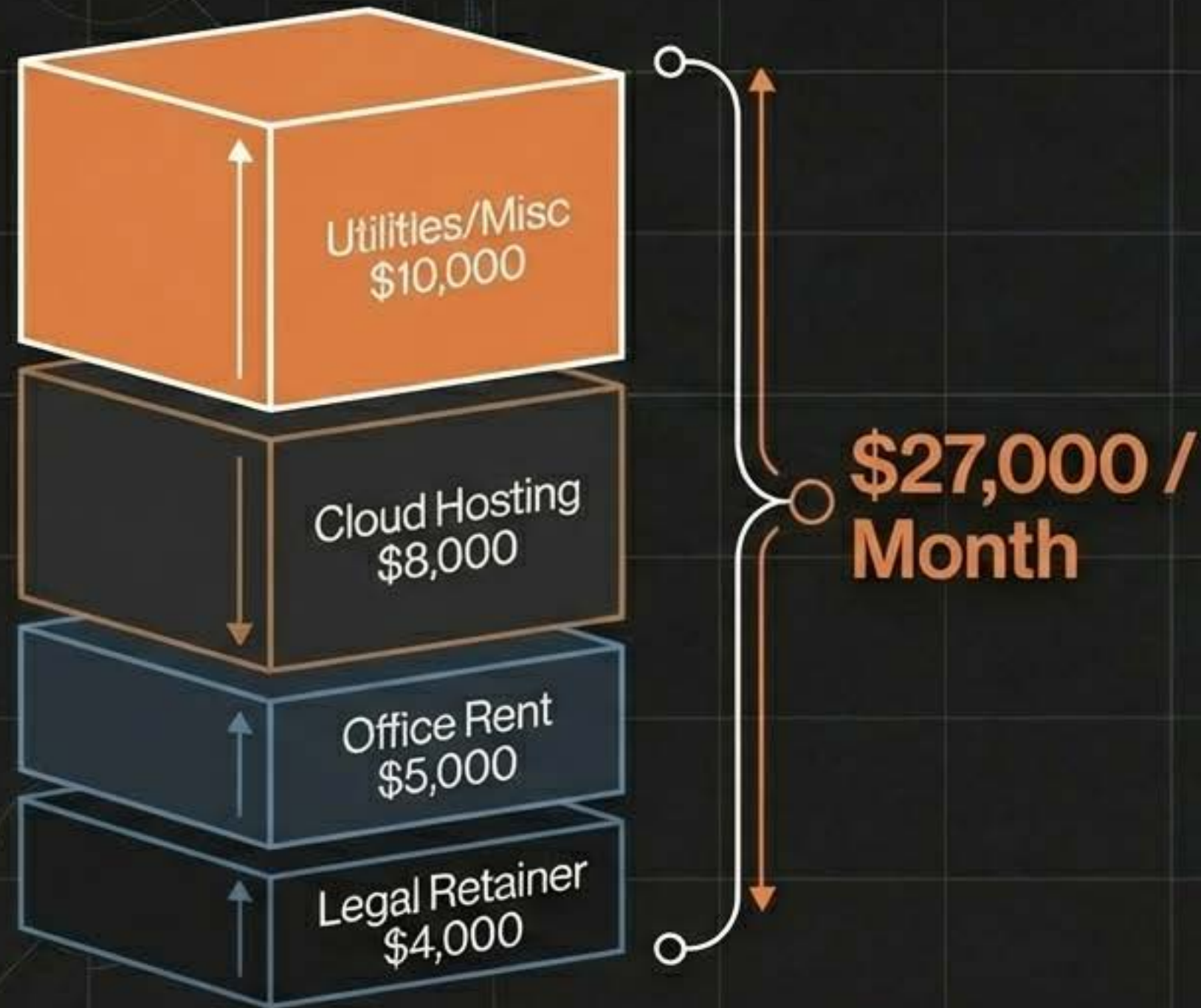
Monthly Wage Base:
\$78,333

Total Year 1 Wages:
\$940,000

Initial Commit:
\$235,000 (First 3 Months)

High fixed costs demand immediate productivity. Defer non-essential hires (e.g., Marketing Lead) by **60 days** to save **~\$26k**.

Fixed Operational Overhead



Total Q1 Commit:
\$81,000 (3 Months)

Optimization Strategy:
Negotiate reserved cloud instances; downsize initial office footprint; set strict scope caps on legal retainers.

The Growth Engine: \$700k Marketing Budget



- **Analysis:** With only \$200k allocated to sellers, high-CAC channels yield only ~133 sellers.
- **Strategic Pivot:** Must prioritize partnerships and referrals. Don't waste funds chasing low-quality leads.

Critical Risk: The Liquidity Trap

$$\begin{array}{r} \$1,500 \\ - \\ \$300 \\ \hline = \\ -\$1,200 \end{array}$$

Cost of Seller Acquisition

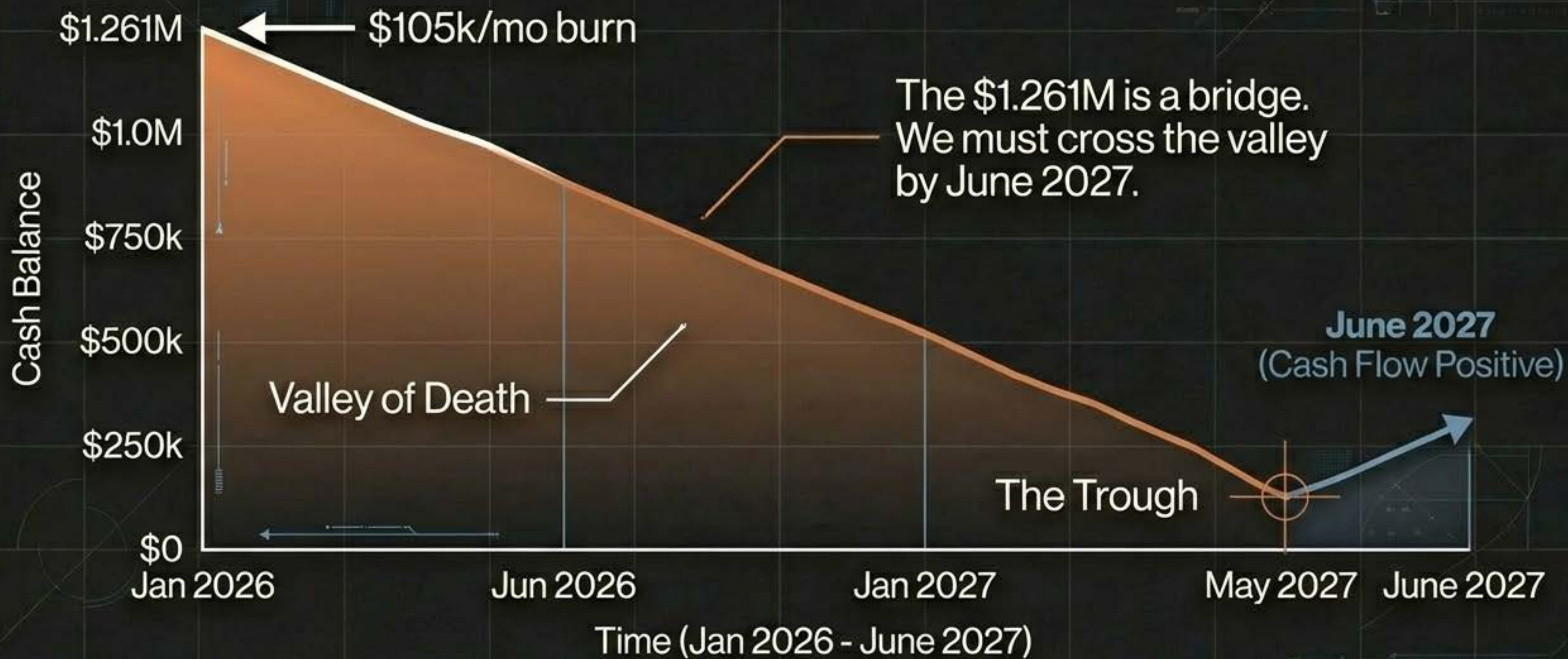
Avg Net Revenue

Initial Loss per Seller

Immediate LTV optimization is required. If a seller leaves before generating >\$1,500 in fees, capital is destroyed.

Mitigation: Focus on subscription revenue (predictable) over commission revenue (variable) to recover CAC faster.

The 18-Month Runway



Sensitivity & Risk Factors



Development Slip

If launch slips past Q4 2026

- Breakeven date shifts
- Capital need increases



Onboarding Drag

If KYC takes >14 days

- Churn rises
- Cash drain accelerates



CAC Inflation

If CAC rises 20%

- Churn risk rises definitely

CAC



Churn Risk

Funding Strategy: Equity vs. Debt

EQUITY FINANCING

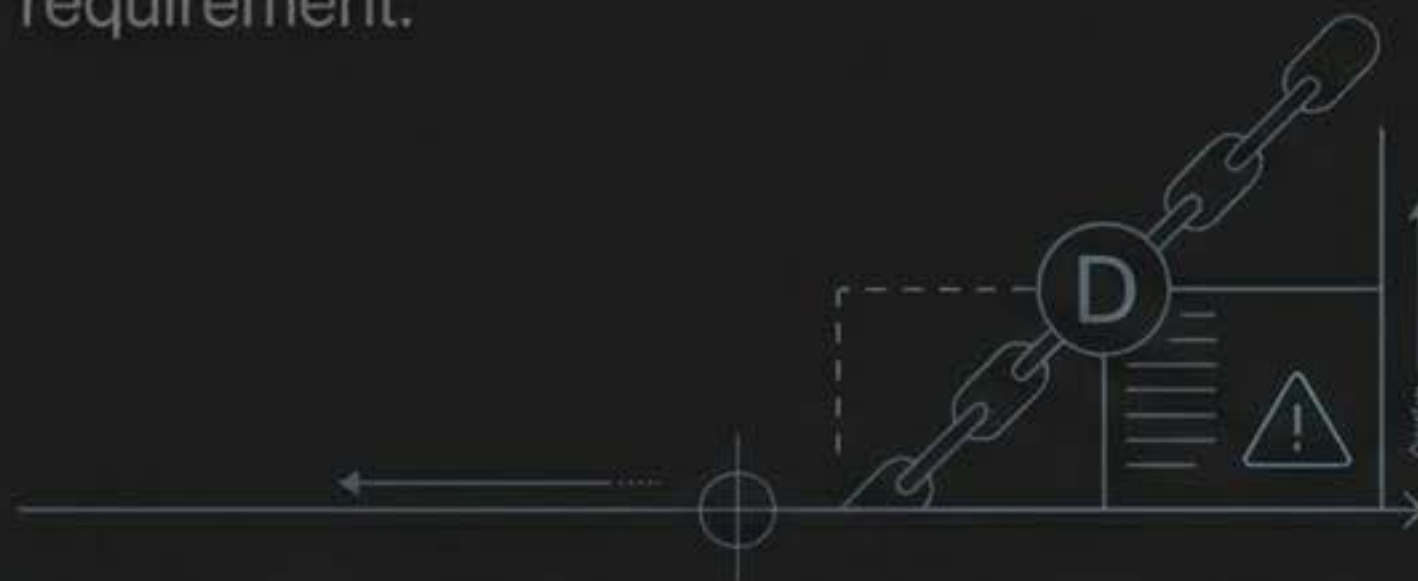
Recommendation: Pursue equity to cover the long burn period.

Reasoning: High fixed overheads (\$940k wages + CAPEX) make early debt servicing dangerous.



DEBT FINANCING

Constraint: If Debt is used, covenants must account for the \$1.261M liquidity requirement.



Timing: Secure funding immediately.
The 18-month clock starts ticking at inception.

Key Takeaways



Capital Floor: \$670k Initial CAPEX + \$1.261M Total Reserve is the minimum requirement.



Time Horizon: 18-month timeline to reach positive cash flow (June 2027).



Cost Drivers: Platform Build (\$200k) and Year 1 Wages (\$940k) are the primary sinks.



Critical Metric: Seller CAC is \$1,500. Liquidity acquisition is the primary operational risk.



Build the Fortress. Buy the Liquidity.

Securing the \$1.261M runway to bridge the gap
to June 2027 profitability.