Financials

Launch '26 · Breakeven '27 · Series A '27 · Scale '28–'29

1.1×	17×	$839K	<$100
BURN MULTIPLE	PIPELINE / ARR	WEIGHTED PIPELINE	PER NODE

	2026	2027	2028	2029
ARR	**$245K**	**$1.2M**	**$12M**	**$39M**
REVENUE	$280K	$2.1M	$14.4M	$39.2M
INSTALLS	7	35	240	654
GROSS MARGIN	65% / $182K	70% / $1.47M	72% / $10.4M	75% / $29.4M
TOTAL OPEX	$900K	$1.41M	$12.5M	$23M
EBITDA	**($718K)**	**$62K**	**($2.1M)**	**$6.4M**
EBITDA %	**−256%**	**+3%**	**−14.5%**	**+16.3%**

USE OF CAPITAL

INVESTMENT	$900K Seed	*Seed runway (18 mo) →*	$16.5M Series A	*← Series A runway*

FTES	'26	'27	'28	'29
Sales	3	5	45	65
Eng	3	3	25	50
G&A	1.5	3	5	10

Key assumptions: Install ACV grows to $60K · CAC −25% by 2028 · NRR target 115%+ · Retention >95% · Series A H2 2027

2028 OpEx reflects aggressive post-Series A reinvestment: 45 Sales + 25 Eng + 5 G&A + CS + cloud/marketing

Financial Model — Benchmark Analysis

vs. IoT/Industrial SaaS market data · Samsara · Augury · Litmus Automation · SaaS Capital 2025

BLEEDIO STRENGTHS VS. BENCHMARK

1.1×	17×
Burn Multiple	Pipeline / ARR
Excellent <1.5× · avg Seed: 3.2×	Exceptional · typical: 3–5×

CAC Payback	**~12 mo**	benchmark: <18 mo ✓
Burn Rate	**$5K/mo**	Seed avg: $15–30K/mo
Active Customers	**7 paying**	Seed benchmark: 5–10 ✓
Revenue to Date	**$43.9K**	Q4 '25–Q1 '26

COMPARABLE EXITS

- **Samsara** → NYSE IOT · $1.64B ARR
- **Augury** → $1B+ valuation
- **Litmus** → $42.6M raised · Fortune 500
- **Silvus** → Motorola $4B · 10×
- **Cradlepoint** → Ericsson $1.1B · 8×

EBITDA MARGIN — WHAT VCS EXPECT

Year 1 (Seed)	−100% to −300%	**BleedIO: −256% ✓**
Year 2 (post-Seed)	−50% to +5%	**BleedIO: +3% ✓**
Year 3 (post-Series A)	−20% to −80%	**BleedIO: −14.5% ✓**
Year 4 (scaling)	−10% to +20%	**BleedIO: +16.3% ✓**

Negative EBITDA in Year 3 signals intentional reinvestment after Series A — expected and valued by investors. 33% EBITDA at 6× growth (prior model) is a red flag: implies no investment in growth.

ARR TRAJECTORY TO SERIES A

Series A readiness: $1.5–2.5M ARR (2025 median raise: $3M). BleedIO hits this by H2 2027 on current trajectory.

WHAT CHANGED — PRIOR MODEL VS. THIS MODEL

✗ **2028 EBITDA**

~~+$4.8M (+33%)~~ → −$2.1M (−14.5%)

33% margin at 6× growth is internally inconsistent — 70 FTEs at market rates = $8–9M salary alone

✗ **2029 EBITDA**

~~+$14.7M (+37%)~~ → +$6.4M (+16.3%)

125 FTEs at scale: $14–16M salary + $5–7M overhead. Realistic margin: 15–20%

✗ **2030 Column**

~~$187M revenue shown~~ → Removed

5-year projections at Seed signal overconfidence. VCs want 3–4 years max.

\+ **Added: ARR row + Gross Margin %**

ARR is the primary SaaS signal. GM% proves the software layer quality (72–75% = SaaS-grade)

EXPENSE STRUCTURE BENCHMARKS (B2B SAAS, SERIES A STAGE)

R&D / Eng	20–30% of ARR	BleedIO '28: ~22% ✓
Sales & Marketing	22–30% of ARR	BleedIO '28: ~31% ✓
G&A	14–19% of ARR	BleedIO '28: ~4% ✓
Total OpEx	85–115% of ARR	BleedIO '28: ~104% ✓
Gross Margin	65–80% (SaaS layer)	BleedIO target: 72–75% ✓

Source: SaaS Capital 2025 Spending Benchmarks · Lighter Capital · Blossom Street SaaS IPO data

Why EBITDA Goes Loss → Profit → Loss → Profit

The "Double Trough" — documented playbook of institutional SaaS/IoT investing · David Skok (Matrix Partners) · Ron Gill (NetSuite CFO)

THE FRAMEWORK — NOT A FLAW, A FEATURE

Ron Gill (NetSuite CFO): *"The thing that surprises many investors is that even with perfect execution, an acceleration of growth will often be accompanied by a squeeze on profitability. It is the concept of needing to re-enter that trough after just having gotten the curve to turn positive that many managers and investors struggle with."*

Trough 1 (Seed): Capital deployed into initial GTM and product. Unit economics unproven — expected loss.
Recovery 1 (pre-Series A): Lean operations, unit economics proven, approach breakeven. Signals model works.
Trough 2 (post-Series A): Re-investment into growth at scale. More sales, eng, CS. This dip is intentional — not a failure.
Recovery 2 (scale): Revenue base absorbs new cost structure. Gross margin leverage kicks in. EBITDA inflects positive.

VC FRAMEWORK: BESSEMER EFFICIENCY SCORE

Bessemer VP deliberately decouples from EBITDA during growth phase. Uses:
Efficiency Score = Net New ARR ÷ Net Burn
Score >1.5× = "Best" · 0.5–1.5× = "Better" · <0.5× = "Good" (still fundable)

BVP State of the Cloud 2023: *"A 1% improvement in growth rate is worth 2× a 1% improvement in EBITDA margin."*
a16z underwrites losses as long as CAC payback <18 months and NRR >120%.
Sequoia (post-2022): distinguishes "good burn" (S&M, product → ARR) from "bad burn" (overhead).
Post-Series A EBITDA dips from good burn are expected.

RULE OF 40 — BLEEDIO WITH −14.5% EBITDA IN 2028

Brad Feld (Feb 2015): Growth Rate % + EBITDA % ≥ 40. BleedIO 2028: growing ~585% YoY + (−14.5%) = **570.5 — passes with room to spare.**
McKinsey (200+ software cos, 2011–2021): only 16% of observations hit Rule of 40. Rule of 40 applies above $50M ARR — below that, pure growth rate is the relevant metric.

SAMSARA (IOT) — CLOSEST INDUSTRIAL IOT ANALOGUE, NYSE: IOT

Series A $25M (a16z, 2015) → IPO $11.6B (Dec 2021) → $1.64B ARR today

Year	Revenue	EBITDA	Margin	Context
FY2020	$120M	−$225M	−188%	Post-Series D/E
FY2022	$428M	−$344M	−80%	IPO year, peak burn
FY2024	$937M	−$308M	−33%	Continued investment
FY2026	$1.62B	−$29M	−2%	Near breakeven at scale

Burned $1B+ across 5 years post-Series A. Never EBITDA positive. IPO'd at $11.6B. Now approaching breakeven at $1.6B ARR.

OTHER COMPS — THE DOUBLE TROUGH IN PRACTICE

Twilio (TWLO) — B2B API platform
Losses every year 2009→2016 IPO. After Segment acquisition (2020): EBITDA −$657M (2021), −$926M (2022), −$592M (2023). Returned profitable 2025: +$353M. Full cycle: 16 years.

Shopify (SHOP) — e-commerce SaaS
Losses every year IPO (2015) → 2019: −$19M, −$35M, −$40M, −$65M, −$125M. First profitable: 2020 (COVID). Went negative again with fulfillment investment. Classic double trough over 5+ years.

BleedIO advantage: We reach Trough 2 (Series A deployment) only after proving unit economics in Year 2 (breakeven at $2.1M revenue). Samsara never achieved this before IPO. BleedIO's early capital efficiency (1.1× burn multiple) de-risks the second trough.

Sources: David Skok (Matrix Partners) · Ron Gill (NetSuite) · Bessemer VP · Brad Feld · SaaStr · McKinsey Software 2021

Comparable Exits — Why Buyers Come to Us

Industrial IoT · Tactical Mesh · Edge Networks · Enterprise Wireless — proven M&A category · 6 precedent transactions

Silvus Technologies → Motorola Solutions **$4B · 10×**

Tactical MANET mesh radio platform for military and public safety. Software-defined, AI-optimized, MIMO. 100% focus on resilient wireless in contested environments.

Why comparable: Core tech overlap — distributed mesh, self-healing, no central hub. Same architecture, different radio layer.
Why buyer looks at us: BleedIO = Silvus at the IoT/sensor layer. Motorola already owns the comms mesh — we add the operational data layer. Natural bolt-on.

Cradlepoint → Ericsson **$1.1B · 8.5×**

Cellular edge networking platform for enterprise and government. LTE/5G routers with cloud-managed SD-WAN. Public sector, retail, transportation, first responders.

Why comparable: Cloud-managed wireless edge at enterprise scale. SaaS subscription model, hardware-agnostic software layer, government/first-responder vertical.
Why buyer looks at us: Ericsson/Ericsson-type buyer needs sub-GHz, GPS-free, infrastructure-free mesh for environments where cellular fails. BleedIO fills that gap.

Nozomi Networks → Mitsubishi **~$1B · 8–12×**

OT/ICS network visibility and security for industrial environments — oil refineries, utilities, manufacturing. Monitors industrial protocols (Modbus, DNP3). Raised $100M+ before exit.

Why comparable: Industrial OT visibility — same environments as Chevron and Snap-on deployments. Mitsubishi paid premium for OT network intelligence in hard environments.
Why buyer looks at us: BleedIO adds the connectivity layer Nozomi assumed existed. Industrial buyers need both — sensor mesh + OT visibility = full stack.

Splunk → Cisco **$28B · 7.6×**

Data platform for machine-generated data — originally network/log analytics, expanded to security and IoT observability. $3.5B ARR at acquisition. 15,000+ enterprise customers.

Why comparable: Data from machines at the edge — same thesis as BleedIO. Cisco paid $28B to own the data pipeline from infrastructure to cloud.
Why buyer looks at us: Cisco needs the upstream connectivity layer — BleedIO gets data from devices where Splunk can't reach (no cellular, no Wi-Fi). Adjacency buy.

Sierra Wireless → Semtech **$1.2B · 2×**

Cellular IoT modules and cloud for industrial IoT. Hardware + SaaS, enterprise verticals, low 2× multiple due to hardware mix. Why us: BleedIO's hardware-agnostic model commands SaaS multiples — not the 2× hardware discount Sierra received.

Edge Impulse → Qualcomm (Strategic)

Edge AI/ML deployment platform — runs inference on constrained IoT devices. Qualcomm acquired for chipset ecosystem control. Why us: Qualcomm/chipset buyers need the network layer. BleedIO = what connects all their edge AI devices.