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BleedIO Tech — Investor Return Scenarios

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Date: March 2026 **Round:** Seed — $900K at $5M post-money SAFE

How This Document Works

This document models projected investor returns across three time horizons: Seed-to-Series A (18–24 months), Seed-to-Series B (3–4 years), and Seed-to-Exit (5–7 years). All projections are based on verified comparable transactions, current pipeline, and standard venture capital return benchmarks for industrial IoT / SaaS infrastructure companies.

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1. Current Investment Terms

Metric	Standard	Early Investor (first $200K, 30 days)
Instrument	Post-Money SAFE	Post-Money SAFE
Valuation Cap	$5,000,000	$4,500,000 (10% discount)
Ownership per $100K invested	2.0%	2.2%
Ownership per $50K invested	1.0%	1.1%
Ownership per $25K invested	0.5%	0.56%

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2. Revenue Growth Model

Current State (March 2026)

Metric	Value
Monthly Recurring Revenue (MRR)	$3K–$4K
Annual Run Rate (ARR)	~$40K–$48K
Active pilots	Chevron, Snap-on, Lufthansa IS, Oracle Red Bull Racing, fire departments
Business model	$3–$5/device/month SaaS + $25K–$60K per network

Metric	Value
	install

Projected Revenue by Milestone

Milestone	Timeline	Projected ARR	Key Drivers
End of Seed	Q4 2026	$250K–$300K	Pilot conversions, first fire department contracts, Chevron expansion
Series A	Q2–Q4 2027	$1.0M–$2.0M	Chevron renewed, Lufthansa channel live, Snap-on embedded, 50 FDs, 2nd O&G
Series B	2028–2029	$5M–$10M	Channel scale through Lufthansa + Snap-on, 200+ FDs, 3–5 O&G sites, international
Exit-ready	2030–2032	$20M–$50M	Platform standard in industrial mesh, multi-channel, recurring base

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3. Seed-to-Series A Return (18–24 months)

Target Pipeline at Series A

Customer / Channel	Type	Est. Annual Contract Value
Chevron (renewed + expanded)	Direct enterprise	$150K–$250K
2nd Oil & Gas major	Direct enterprise	$100K–$200K
Lufthansa Digital Services	Channel (resells to aviation clients)	$200K–$400K
Snap-on (embedded)	Channel / OEM	$300K–$500K
50 Fire Departments	End users (B2G)	$250K–$500K
Organic pipeline	Direct + partner	$50K–$100K

Series A Valuation Scenarios

Scenario	ARR	Multiple	Pre-Money Valuation	Raise	Post-Money
Conservative	$1.0M	15–20x	$15M–$20M	$3M–$5M	$18M–$25M
Base case	$1.5M	20–25x	$30M–$37M	$5M–$8M	$35M–$45M
Upside	$2.0M+	25–30x	$50M–$60M	$8M–$12M	$58M–$72M

Investor Return at Series A

Entry	Investment	Ownership	Value at Series A (Base: $35M)	Paper Return
Early ($4.5M cap)	$100K	2.2%	$770K	**7.7x**
Early ($4.5M cap)	$50K	1.1%	$385K	**7.7x**

Entry	Investment	Ownership	Value at Series A (Base: $35M)	Paper Return
Standard ($5M cap)	$100K	2.0%	$700K	**7.0x**
Standard ($5M cap)	$50K	1.0%	$350K	**7.0x**

Note: Returns assume ~15% dilution at Series A. Actual dilution depends on round size and option pool expansion.

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4. Seed-to-Series B Return (3–4 years)

Series B Valuation Scenarios

Scenario	ARR	Multiple	Pre-Money Valuation
Conservative	$5M	10–12x	$50M–$60M
Base case	$7M	12–15x	$84M–$105M
Upside	$10M+	15–18x	$150M–$180M

Investor Return at Series B

Entry	Investment	Value at Series B (Base: $90M)	Paper Return
Early ($4.5M cap)	$100K	$1.3M	**13x**
Standard ($5M cap)	$100K	$1.2M	**12x**

Assumes ~30% cumulative dilution through Series A + B.

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5. Seed-to-Exit Return (5–7 years)

Exit Comparable Benchmarks (Verified)

Company	Acquirer	Deal Value	Revenue Multiple	Relevance
Cradlepoint	Ericsson	$1.1B	8.5x	Wireless edge, enterprise connectivity
Nozomi Networks	Mitsubishi Electric	~$1B	8–12x	Critical infrastructure IoT security
Splunk	Cisco	$28B	7.6x	Data collection, machine analytics
Sierra Wireless	Semtech	$1.2B	2x	IoT modules (hardware discount)

Exit Valuation Scenarios

Scenario	ARR at Exit	Exit Multiple	Exit Valuation
Conservative	$20M	6–8x	$120M–$160M
Base case	$30M	8–10x	$240M–$300M
Strategic premium	$50M+	10–12x	$500M–$600M

Investor Return at Exit

Entry	Investment	Exit Value (Base: $250M)	Cash Return	Multiple
Early ($4.5M cap)	$100K	$2.8M	$2.8M	**28x**
Early ($4.5M cap)	$50K	$1.4M	$1.4M	**28x**
Early ($4.5M cap)	$25K	$700K	$700K	**28x**
Standard ($5M cap)	$100K	$2.5M	$2.5M	**25x**
Standard ($5M cap)	$50K	$1.25M	$1.25M	**25x**
Standard ($5M cap)	$25K	$625K	$625K	**25x**

Assumes ~50% cumulative dilution through all rounds. Actual returns depend on number of rounds, option pool expansion, and exit timing.

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6. Likely Strategic Acquirers

BleedIO's technology — always-on, distributed mesh networking for industrial environments — sits at the intersection of several major acquirer categories:

Acquirer Type	Examples	Strategic Rationale
Industrial conglomerates	Siemens, Honeywell, ABB, Mitsubishi Electric	Fill connectivity gap in Industry 4.0 portfolios
Telecom / networking	Ericsson, Cisco, Nokia	Extend enterprise IoT edge offerings
Cloud platforms	AWS, Azure, Google Cloud	Complement cloud IoT with on-prem mesh
Energy / O&G tech	Emerson, Schneider Electric	Solve refinery and plant connectivity

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7. Why BleedIO Commands Premium Multiples

1. **Infrastructure layer, not application:** BleedIO is foundational network infrastructure. Once deployed, switching costs are high and contracts are multi-year. This is what drove Cradlepoint's 8.5x exit.

2. **Channel-validated distribution:** Lufthansa Digital Services reselling to aviation clients and Snap-on embedding into their products proves scalability beyond founder-led sales. Investors and acquirers pay a premium for de-risked distribution.

3. **Multi-vertical proof:** Oil & gas, aviation, industrial tooling, public safety — all on the same platform. Demonstrates horizontal market potential and reduces category risk.

4. **Mission-critical positioning:** The $84M/year cost of downtime per O&G facility creates urgent buyer need and willingness to pay. This isn't a nice-to-have; it's operational infrastructure.

5. **Software-first, vendor-agnostic:** No proprietary hardware lock-in means high gross margins (target >80%) and flexibility to scale across hardware ecosystems.

6. **AI-ready data layer:** Every deployed network generates continuous sensor data. As industrial AI adoption accelerates, the data collection infrastructure becomes increasingly valuable.

Summary: What $100K Buys

Horizon	Timeline	Projected Value (Base Case)	Return Multiple
Series A	18–24 months	$700K–$770K	**7x–8x**
Series B	3–4 years	$1.2M–$1.3M	**12x–13x**
Exit	5–7 years	$2.5M–$2.8M	**25x–28x**

Early investors at the $4.5M cap receive an additional ~12% ownership premium across all scenarios.

This document contains forward-looking statements and projections based on management estimates, publicly available market data, and verified comparable transactions. Actual results may differ materially. This document does not constitute investment advice or an offer to sell securities. All investments carry risk, including the potential loss of the entire investment. Past performance of comparable companies does not guarantee future results for BleedIO Tech.