About BluBØX

BluBØX is a leading provider of physical security products, offering a range of innovative solutions for residential, small business, and enterprise customers. The company's flagship product, BluSKY, is a cloud-based security platform that is easy to use and accessible from any device. It has a flexible web interface and open API, and uses non-proprietary hardware, making it a risk-free investment for customers. BluSKY's built-in intelligence provides deep monitoring and automatic corrective action, and the cloud-based platform ensures data safety and software updates. Additionally, BluSKY protects against cyber-attacks and provides high availability, business continuity, automatic backups, and automatic software upgrades.

In addition to BluSKY, BluBØX also offers the Person Reader, a patented all-in-one reader, intercom, camera, and guest entry device. This intelligent device can read a variety of credentials, including face, voice, proximity cards, and more, and is convenient, fast, and accurate. It can be used at doors, turnstiles, elevators, or any location where identity verification is needed. The Person Reader also has SIP-based audio and video intercom capabilities, an integrated touch screen directory, door control functions, a mobile app, and the ability to make cellular and internet calls. It also has a built-in 2MP camera for video recording, and can be used for guest enrollment, check-in, and credential management.

About the Team

At BluBØX, we are led by a highly experienced management team with over two decades of experience working together. Their impressive track record includes successfully building and selling their previous company, Touchcom, for a staggering $56M, resulting in significant returns for investors.

Our team is unique and exceptional, driven by a passion for creating cutting-edge security solutions, addressing diverse customer needs, and delivering exceptional customer service and continuous improvement. Additionally, we are proud to be employee-owned, ensuring that our team is fully invested in the success of the company.

Patrick Barry — CHIEF EXECUTIVE OFFICER
Sean Dyer — CHIEF SOFTWARE ARCHITECT
Simon Goldshmid — VICE PRESIDENT OF ENGINEERING
Luciano Barrios — SENIOR PRODUCT ARCHITECT
Ildar Galiulin — VP PROFESSIONAL SERVICES
Shaun Peterson — VP SUPPORT

Capitalization and Funding

BluBØX has been independently funded since its creation and has achieved a strong market presence. As we look to rapidly expand our business, we are now seeking growth capital through a Series A funding round.

Our goal is to raise $10M at a $150M valuation, to support our continued growth and expansion efforts. We believe that with this funding, we will be able to bring our cutting-edge security solutions to even more customers and continue to drive the success of our company.

BluBØX Investment Opportunity

5 Year Business Plan Summary

Performance:			Actual 2020		Actual 2021		Projected 2022		Projected 2023		Projected 2024		Projected 2025
One Time Revenue		$	3,508,785	$	6,292,400	$	7,774,347	$	12,096,312	$	24,290,283	$	28,597,500
Recurring Revenue		$	2,118,311	$	3,407,326	$	5,935,238	$	11,809,501	$	19,988,742	$	32,488,514
Other Revenue		$	51,433	$	133,113	$	326,925	$	272,167	$	546,531	$	643,444
Total Revenue		$	**5,678,529**	$	**9,832,838**	$	**14,036,510**	$	**24,177,980**	$	**44,825,556**	$	**61,729,458**
Cost of Goods & Services (COGS)		$	1,313,378	$	2,447,652	$	3,406,050	$	2,679,178	$	4,768,530	$	5,233,255
Operating Expense		$	3,941,576	$	5,553,813	$	6,773,415	$	10,588,568	$	11,458,495	$	12,088,797
Total Expenses		$	**5,254,954**	$	**8,001,465**	$	**10,179,464**	$	**13,267,745**	$	**16,227,025**	$	**17,322,051**
Interest, Taxes, Deprec, & Amort		$	81,480	$	102,865	$	145,342	$	198,630	$	260,414	$	332,103
EBITDA		$	**505,055**	$	**1,934,238**	$	**4,002,388**	$	**11,108,865**	$	**28,858,946**	$	**44,739,510**
EOY Annualized Recurring Revenue		$	6,107,325	$	9,847,365	$	17,111,495	$	27,790,176	$	48,392,982	$	69,026,800
Gross Margin %			**77%**		**75%**		**76%**		**89%**		**89%**		**92%**
Net Profit %			**7%**		**19%**		**27%**		**45%**		**64%**		**72%**

Valuation:

|				Actual 2020		Actual 2021		Projected 2022		Projected 2023		Projected 2024		Projected 2025
ARR	Multiple =	15	$	91,609,875	$	147,710,475	$	256,672,425	$	416,852,640	$	725,894,730	$	1,035,402,000
IP			$	35,000,000	$	55,000,000	$	75,000,000	$	100,000,000	$	150,000,000	$	200,000,000
Total			$	**126,609,875**	$	**202,710,475**	$	**331,672,425**	$	**516,852,640**	$	**875,894,730**	$	**1,235,402,000**

BluBØX Investment Opportunity

Products & Services

BluBØX offers a comprehensive range of physical security products and services that are user-friendly, open-architecture, and can seamlessly integrate into any network. Our flagship service, BluSKY, provides a unified platform of essential security applications catering to diverse industries. Our customers can trust that their data is securely protected and backed up across multiple Microsoft Azure data centers. With our intelligent deep monitoring and control features, customers have the flexibility to manage their security system from any device, anywhere, and at any time, whether it's for a single location or multiple sites.

Services
- BluSKY Subscription Licenses
- Credentials-as-a-Service
- System Support
- Hardware-as-a-Service
- Professional Services
- Enterprise Integration Services

Products
- Credential Management
- Access Control
- Alarms and Intrusion
- Video Management
- Cameras and Video Recorders
- Visitor/Vendor Processing
- Destination Dispatch Elevator Integration
- Relay Elevator Access Control
- Person Reader
- Destination Dispatch Elevator Readers
- Bluetooth Readers
- Intercom
- Wireless Lock Integration
- Mass Notification
- Life Safety Management
- Readers, Peripherals and Physical Credentials
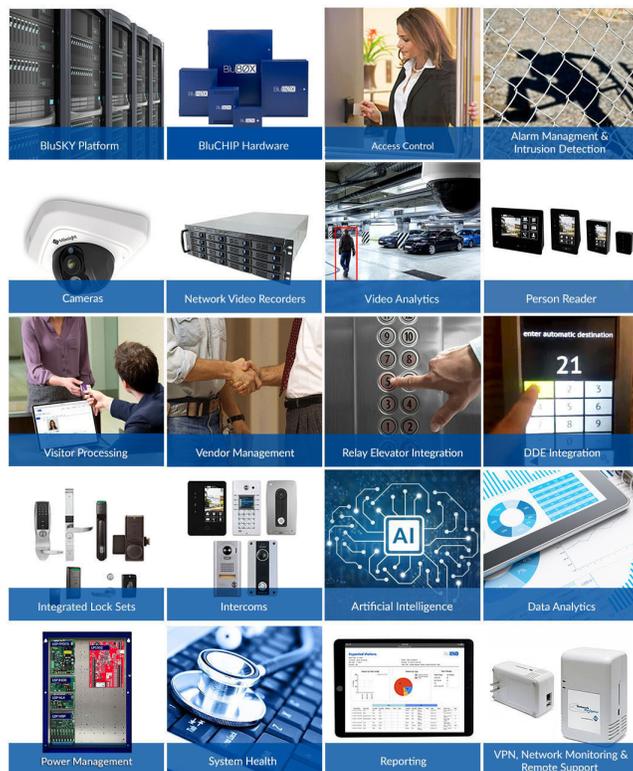
Revenue Components

BluBØX generates revenue through a diverse range of sources, including both recurring and one-time revenue streams. Our recurring revenue is high-quality, characterized by high margins and low customer churn. The primary source of recurring revenue is the subscription licenses required to run our flagship platform, BluSKY. Additionally, our Credentials-as-a-Service offerings, such as BluREMOTE, BluPASS and BluID, are a growing contributor to recurring revenue. Physical credentials, such as access cards, also contribute to recurring revenue as they are continuously consumed through employee turnover and temporary guest access. We also generate recurring revenue through system support contracts and our Equipment Replacement Program, which provides automatic replacement of major system components every six years. We also offer Hardware-as-a-Service as an alternative to outright hardware purchase, providing a financing option for customers to upgrade legacy systems.

Our one-time revenue streams are generated through the sale of hardware, one-time software licenses, and professional services. Hardware sales make up 50% of our one-time revenue, while one-time software licenses and professional services account for the remaining 50%.

Recurring Revenue

Type	% of Rev	Margin
BluSKY Licenses	70%	84%
Credentials-as-a-Service	5%	100%
Credentials	6%	38%
System Support	15%	64%
Equip Replacement Program	2%	68%
Hardware-as-a-Service	2%	68%

One-time Revenue

Type	% of Rev	Margin
Hardware	47%	46%
Software	17%	100%
Professional Services	36%	100%

Intellectual Property

BluBØX is proud to hold two issued patents for our innovative products and services, one for our flagship platform BluSKY, and another for our Person Reader technology. These patents, which do not incorporate any third-party intellectual property, are key assets in our strategy to license our products and services to other manufacturers. As the security industry continues to evolve with the integration of cutting-edge technologies such as Cloud, Mobile, AI, and Biometrics, our patents cover a strategic portion of the future of security products, and we intend to vigorously defend them. The patents are designed to make it difficult for competitors to circumvent them.

In addition to these patents, we also possess over 60 trade secrets within the company. Furthermore, we have registered trademarks for our company name BluBØX and our flagship product BluSKY, which serve as further protection of our intellectual property.

BluSKY Security Platform
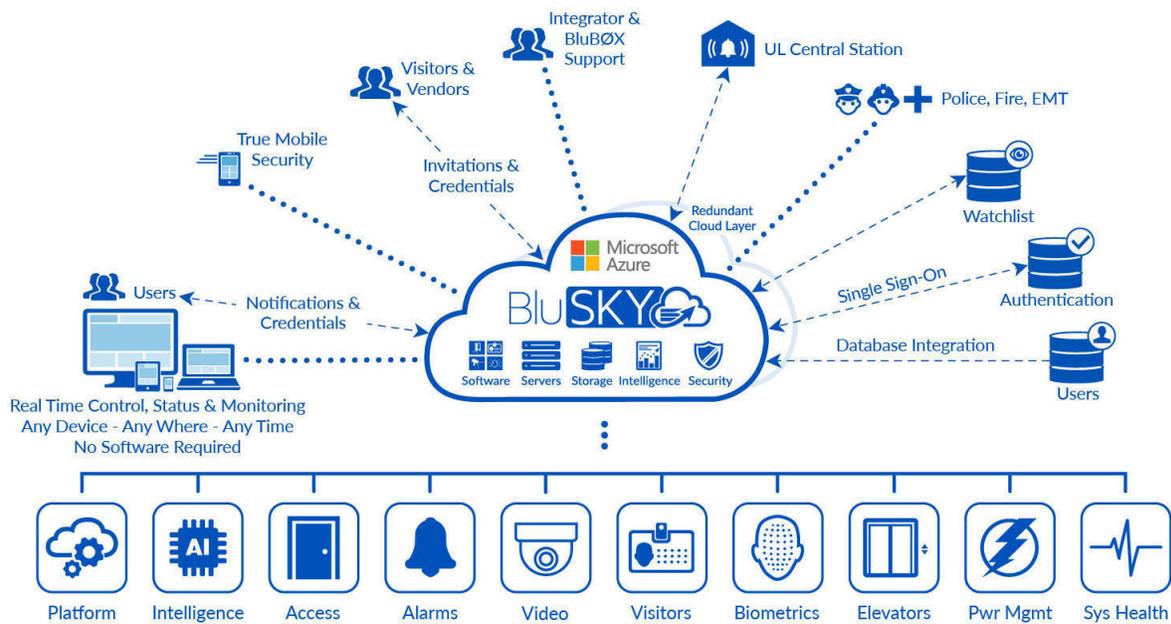
The Person Reader Family

PR-2XLT3   PR-XLT3   PR-LT3   PR-M3

Approach to the Market

Resellers/Integrators

BluBØX leverages its <u>Reseller</u> channel as its primary approach to the market. The company currently has 85 Resellers and aims to add an additional 300 in the next several years. To achieve this, we target the approximately 3,000 Security Resellers in the US, concentrated in <u>primary, secondary and tertiary cities</u>. Our approach includes the support of a VP of Sales, 8 Regional Sales Managers, an Inside Sales team, a Professional Services team, a Support team, and extensive sales and marketing efforts.

Security Consultants

BluBØX partners with security consultants and the A&E community to specify our products for projects. To support this, we provide product training, access to our BluSKY demo, and a product specification guide. We anticipate that up to 50% of all new sales will be attributed to the efforts of consultants and A&E specifiers.

End Users

BluBØX targets end users through social media and email marketing campaigns to increase awareness of our company and our vertical-specific solutions. Our online presence, including our knowledge base and BluSKY demo, is available 24/7 to anyone seeking information. By making our marketing materials easily accessible, we create a force multiplier that amplifies the impact of our sales and marketing resources.

Technology Partners

BluBØX maintains close partnerships with technology partners, who have their own dedicated sales teams. We train and provide these partners with access to our knowledge base and demo to jointly promote our products and services. With more than 2,000 salespeople associated with our technology partners, we leverage their expertise to reach more customers.
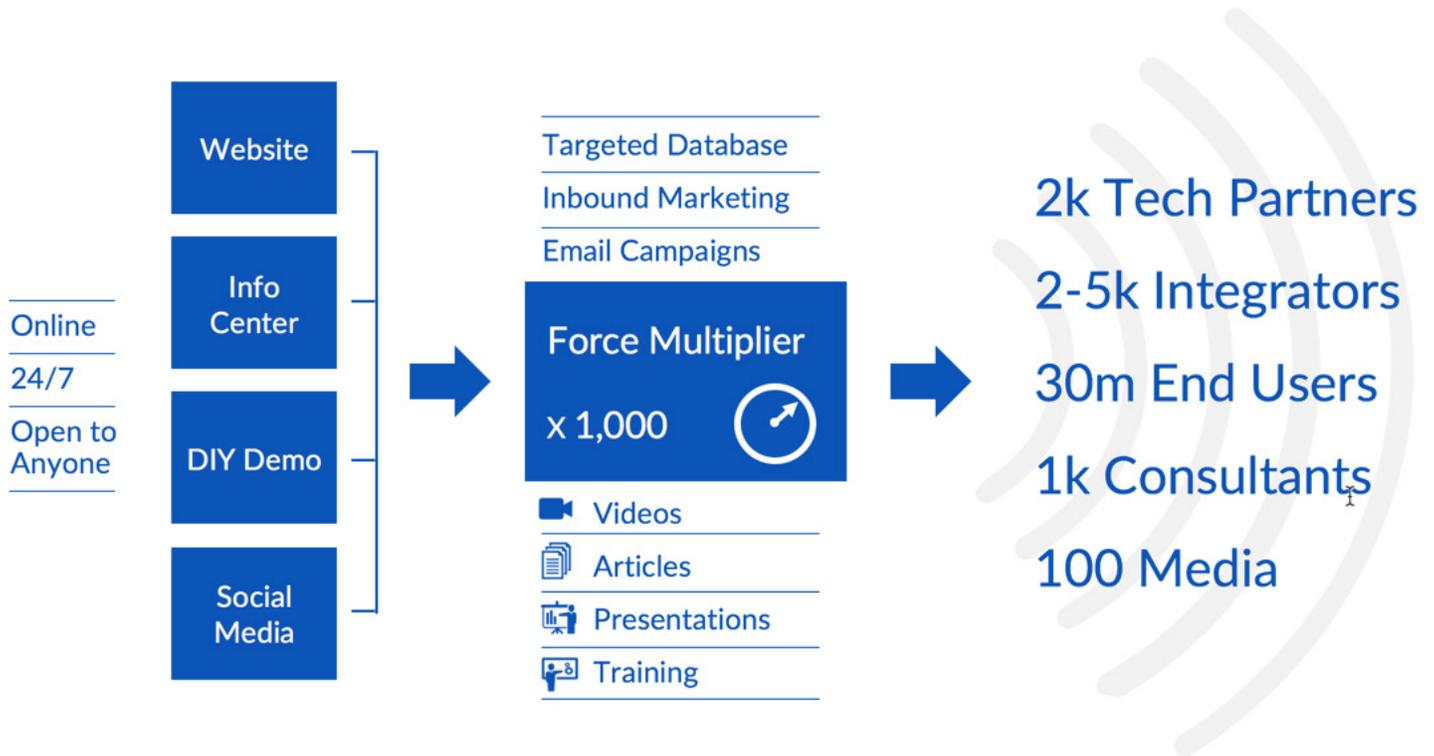
Core Sales Verticals

BluBØX's security solutions are well-suited for a variety of industries, with the exception of the Federal Government and semi-regulated industries. Our flagship product, BluSKY, has particularly strong appeal in the Multi-Tenant Commercial Real Estate and Multi-Family Real Estate sectors. This is due to its DIY tenant administration capabilities, integrated visitor and vendor management, and destination dispatch elevator integration, which provide a strong return on investment for our customers. Tenants within commercial real estate are also a strong market for us, as they benefit from the administrative advantages of integrating with BluSKY.

We also excel in serving Enterprise customers, who often require multi-site administration, control, and monitoring, including in Security Operation Center environments. Our Cloud-based architecture is well-suited for industries where IT resources are limited, and less time can be spent managing on-premise equipment. Furthermore, our solutions are well-received in industries that require a combination of residential and corporate environments, such as those found with high net worth individuals or family offices.

Additionally, we see great potential in the smart city market, as our solutions can bring together various systems in a single interface, which is often required in local/city/state government environments.

Vertical	% of Revenue
Commercial/MF Real Estate	36%
Manuf./Warehouse/Distrib.	25%
Corporate	6%
Financial	10%
Technology	3%
Education	6%
Healthcare	12%
Industrial/Manufacturing	1%
Local/City/State Government	1%

Typical Sales

BluSKY's innovative architecture, diverse feature set, and flexible pricing model enable it to adapt to any size or type of system, while ensuring fair pricing. With the ability to serve small tenants, offices, and retail sites, as well as medium-sized tenants, offices, bank branches, schools, and medical clinics, it is well-suited for a wide range of customers. Additionally, its scalability makes it ideal for large and very large systems, such as commercial office buildings, multi-family residential buildings, school districts, hospitals, corporate offices, manufacturing plants, and distribution centers. Furthermore, its comprehensive product offering and focus on large system sales generate substantial one-time and recurring revenue per site, making it an attractive solution for enterprise-level customers.

Customer	One-Time Revenue	Recurring Revenue
Enterprise	$500K+	$250K/Yr+
Very Large	$100K–$500K	$35K–$250K/yr
Large	$30K–$100K	$10K–$35K/yr
Medium	$10K–$30K	$2.5K–$10K/yr
Small	$1K–$10K	$1K–$2.5K/yr

- Avg One Time Revenue/Sale – $44K
- Avg Recurring Revenue/Sale – $12.5K/yr
- Recurring Revenue Margin – 85%
- One Time Revenue Margin – 60%
- Mixed Gross Margin – 76%
- # of Sites – 900+
- # Resellers – 80

Competitive Advantages

BluBØX's security offering is a revolutionary leap forward, leveraging cutting-edge technologies such as Cloud, Mobile, AI, and Biometrics to set itself apart from the competition. With a 5-year lead over the security industry, BluBØX is driving a paradigm shift in the market through its strategic patents for key transition technologies. In contrast, the majority of the industry is still reliant on outdated database architecture and client-server technology, making it difficult for competitors to match BluBØX's capabilities. To catch up, competitors would need to undertake a significant redesign of their products and services, requiring a substantial investment of $50-$100 million and a minimum of five years of development. Additionally, they would need to navigate around BluBØX's patents or potentially license the technology.

- BluSKY Platform Reduces Operational Costs by $30-$50K+/Yr/Site
- Lower Initial Costs
- Cloud, Mobile & Cyber-Security Benefits
- Unified Platform Across All Core Security Functions
- DIY Cross System, Multi-Site, Multi-Tenant Database
- Enterprise-wide Administration, Control & Monitoring from Any Device, Anywhere, Anytime
- Destination Dispatch Elevator Integration
- The Person Reader
- Digital Credentials-as-a-Service
- Integrated Visitor and Vendor Management
- Video on Demand Everywhere
- Intelligence - AI, Analytics, Rules, and Reporting
- Deep Monitoring, Notification and Automation
- Remote Support, Diagnostics and System Monitoring
- Physical Security-as-a-Service Domain Experience
- BluINFO Knowledge Base - Open to Everyone
- BluSKY Demo – "Try Before You Buy"
- Product Maturity and Velocity – 5 Years Ahead, Evolving Rapidly
- Continuous Product Improvement Delivered to Everyone

Why Invest in BluBØX?

BluBØX is a "Perfect Storm" investment opportunity driven by the following conditions:

- The ROI – High return for a relatively low-risk investment
- The Team – Experienced, done it before, same space, similar product
- The Timing – Market is ripe for disruption as it transitions to Cloud, Mobile, AI, Biometric technology
- The Product – 5 years ahead of the competition with 25+ major points of differentiation
- The IP – Patent protected, high barrier and disruptive
- The Hybrid Sales Strategy – Channel, direct, consultants and technology partners
- The Industry – Slow to respond to technology changes – provides BluBØX with differentiation and the ability to be a(the) dominant player in the market
- The Demographics – Millennial Invasion - 2020 (50%), 2023 (66%), 2025 (75%) - They want DIY, Cloud, Mobile-centric
- The Customer Demand (for our solution) – Driven by consumer expectation and Millennial Invasion
- The Innovation – BluBØX adds significant innovation every year that broadens and redefines the company
- The Possibilities – There are many additional products and markets that BluBØX can develop with its technology

Use of Funds

- ($3.2M) Expand Sales and Marketing
- ($1.6M) Expand Product Development
- ($1.4MK) Expand Operations
- ($600K) Expand Person Reader line
- ($400K) IP Protection and Licensing
- ($800K) Accelerate Cloud Video Development
- ($200K) Accelerate Credentials-as-a-Service
- ($400K) Energy Management Integration
- ($400K) Hybrid DDE for Traditional Elevators
- ($1M) Expand Internationally

Corporate Information

- Legal Entity - Massachusetts C Corp
- Founded - November 2013
- Board of Directors - 3 Person Board
- Stock – All common stock at this time
- Governance – Good/Current
- Debt – Very low
- Headcount - 44 Employees
- Operations - Profitable
- Due Diligence Info - Available upon executed MNDA
- CEO - Patrick Barry, e. pbarry@blub0x.com p. (917) 656-0526
- CFO - Michael Araujo, e. maraujo@blub0x.com p. (508) 414-3517

BluBØX Security, Inc. is a manufacturer and service provider of web-cloud based physical security products. Its BluSKY service delivers enterprise class unified access control, alarm management, video surveillance, biometrics and visitor management on any device, anywhere, any time. Its BluCHIP open hardware platform provides industry standard components and a proprietary line of fully integrated multi-factor, multi-biometric Person Readers.