

StartBid: 10 X in 5 Years (ROI Investor Brief)

Objective: Deliver **≥10x MOIC** to investors on the \$5M seed check within **5 years**.

Deal Math & Target

- **Round terms (today):** \$20M pre / \$25M post
- Implies **~\$408–415M** company value in Year 5.
- **IRR guidepost:** 10 X in 5 years $\approx \sim 58\% \text{ IRR}$.

Translation to operating goals (Year 5): - **Net platform revenue (“PTE revenue”):** **~\$82M** (assumes a 5x revenue exit multiple; conservative vs growth comps). - **Platform-Take-Equivalent (PTE) target: 20–25% base** (teens-to-30s proven in category). - **GMV required:** **~\$330–410M** (at 25–20% PTE). Even at **15%** downside PTE, GMV needed is **~\$545M**—well below our \$1B GMV ambition.

Why 10x Is Achievable

1) Proven demand & supply depth (today)

- **148k total registrations, 88% bid participation, 43% repeat bidders.**
- **98 suppliers with 800k+ deployable SKUs;** flexible warehousing capacity in place.
- AOV rising from **\$117 → \$229** ('21→YTD '25).

Implication: With a ready audience and stocked catalog, StartBid can migrate and scale volume quickly once the always-on platform goes live.

2) Always-on auctions = step-change in throughput & conversion

- StartBid is designed for **auctions closing every ~6 seconds**, supporting **5M+ auctions/year** with AI-driven merchandising, reserve management, and marketing automation.

Implication: Higher sell-through and AOV from real-time personalization + price discovery, not event-based traffic spikes.

3) PTE around 22% is realistic in our categories

- **eBay (FY2024): \$74.7B GMV → \$10.3B revenue → ~13.8% PTE**
- **Etsy (FY2023): \$13.2B GMS → \$2.7B revenue → ~20.5% PTE**
- **The RealReal (FY2024): \$1.83B GMV → \$600M revenue → ~32.8% PTE**
- **Poshmark (FY2021): \$1.8B GMV → \$326M revenue → ~18.1% PTE.**

Implication: At ~22% PTE, Year-5 GMV \approx \$370M is enough for \$82M PTE revenue.

Note: Garnet Gazelle (our MVP “today”) has operated at ~32% PTE but conservatively modeling with a -10% assumption.

Many other category peers have shown \$1B–\$3B+ GMV potential; we are targeting \leq \$0.5B GMV for 10x under conservative revenue multiple and PTE.

Guardrails & Sensitivities

- **PTE:** Base 20–25%; worst-case 15% (still sub-\$550M GMV to hit 10x); upside 25–30% with authentication/fintech/shipping margin.
 - **Multiple:** Base 5x revenue; 4x downside still clears 10x if PTE holds \geq 22% and GMV lands \geq \$420M.
 - **Capital plan:** Use of funds weighted to platform/AI and growth; EBITDA intentionally negative during build/migration; profitability as scale kicks in.
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Why us

- **Traction & profitability discipline** proven on legacy rails; \$5.5M trailing GMV (December 2025) with NO marketing tech.
- **Team with category & platform DNA** (StockX-level marketplace leadership + decade of auction merchandising expertise).
- **De-risked migration path** (cohorts + stage gates for transitioning large existing customer base of 65K+ active).

Bottom line: With PTE in the teens-to-20s+ and a \$330–410M GMV Year-5 target, StartBid delivers a 10x outcome on today’s round under conservative exit math which is well inside our TAM and below our \$1B GMV ambition (SOM).