BLUE FIRE AI
AI Native Active Asset Manager

Blue Fire AI (BFAI)
AI Native Active Research
& Asset Management

Extremely rare for an AI company to break through - BFAI is unlocking vast TAMs and SAMs

- The AI space is overcrowded with noise, too many 'hammers looking for nails' in a chaotic discovery mode through pilots.

- Most decision makers are distracted and caught up in the GenAI hype.

BFAI has broken through

- now a seamless part of everyday operations.

- Secured multi-year global enterprise contracts with Tier 1 financial institutions

- fully embedded into the industry's workflow.

- BFAI has direct traction in enormous revenue pools, has established unit economics and has a clear growth path ahead.

- Capital is the only constrain to scaling faster.

BFAI in a Nutshell: What We Do

AI-Native Asset Manager

Blue Fire AI (BFAI) is transforming active investment with Emmalyn, built on a proprietary neuro-symbolic AI framework.

Trusted by leading global institutions, Emmalyn is used in two keyways:

- ✓ **AI-Native Asset Management –** Managing investment assets autonomously.

- ✓ **Enhanced Decision Support –** Providing cutting-edge research to strengthen investment strategies.

Why is This Important and Why Now?

The Traditional Active Asset Management Industry is at a Breaking Point

- ✓ After a decade of relentless cost-cutting, **the economics of traditional active management are failing.**

- ✓ Fee compression has slashed margins, making the high cost of human-driven active management unsustainable. Without **technology-driven transformation,** the industry risks becoming obsolete.

- ✓ Institutional allocators are demanding strategies that consistently **outperform benchmarks at a sustainable price point,** something only achievable through scaled technology solutions.

BFAI Has Broken Through - How Big Is the Opportunity?
US Asset Management Industry Alone is $230 Bio USD per Year (McKinsey estimates for 2023)

A Massive Market Opportunity in Active Investing

The Active Investment market is undergoing a fundamental transformation, with exponential growth driven by the right economics and the demand for consistent performance.

Explosive Growth Forecast

BlackRock projects that the global Active ETF industry will quadruple from **$900 billion** today to **$4 trillion by 2030.** (FT)

ETFs Expanding Market Share

ETFs are set to account for **24% of total fund assets by 2027,** up from 17%—a clear indicator of the sector's accelerating expansion. (Oliver Wyman)

Active ETF Surge

In the U.S., Active ETFs currently make up **5% of total ETF AuM,** but this is rapidly changing. **74% of ETF managers** anticipate a major surge in demand over the next 2–3 years. (PwC)

These trends signal a once-in-a-generation opportunity, as Active Investment shifts toward scalable, technology-driven solutions.

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The Founders: Expertise, Execution, and a History of Winning

The Transformation of FX and Equity Markets: A Precedent for Active Asset Management

- The economics broke down, manufacturing costs outpaced available spreads.
- Business lines either shut down, consolidated, or leveraged advanced technology to dominate.

The Founding Team led this transformation, building winner-takes-all businesses.

History Repeats Itself in Active Asset Management

- The same economic breakdown is unfolding—active products are too expensive to manufacture relative to available fees.
- Asset managers are **shutting down, consolidating, or seeking radical transformation.**

BFAI: Built to Lead the Next Industry Transformation

- Purpose-built to redefine active asset management. Positioned as a winner-takes-all business, leveraging advanced AI to reshape the industry.

Samir Rath
Co-CEO

- Former macro economist at the Monetary Authority of Singapore
- Pioneering Trader at GETCO Asia, Global Head of FX at Chopper Trading

DRW · KCG · Monetary Authority of Singapore

Luke Waddington
Co-CEO

- >20 years in capital markets, senior roles at leading investment banks
- Built $500mm revenue business at BNPP through introduction of new technologies

BNP PARIBAS · HSBC UK · RBS

What Do Clients Pay BFAI For?

BFAI provides answers to the three most critical investment questions:

- ✓ **Which companies should I focus on?** (Active research process)
- ✓ **When should I invest?** (Portfolio Construction process)
- ✓ **How much capital should I allocate?** (Portfolio & Risk Management Process)

And Delivers to Clients

AI-Native Asset Manager

Some clients—both Asset Managers and Allocators—entrust BFAI to answer critical investment questions and allocate AUM to Emmalyn as an active portfolio manager. Her strategies integrate seamlessly into existing Asset Management and Investment Banking platforms, delivering superior economics and industry-leading margins.

Active Research

BFAI has honed its active research process to detect early warnings of unrecognized risk in listed companies, targeting the untapped medium-frequency short market at scale. Emulating the analytical capabilities of a top-tier human research team, BFAI's AI-driven analyst, Emmalyn, provides forward-looking risk assessments that Asset Managers leverage for asset selection and rebalancing.

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Emmalyn Active Portfolio Manager Traction & Milestones

Currently live with substantial AUM and a **1+ year track record,** Emmalyn manages a **core US long-only equity strategy,** outperforming the **S&P 500 by 175 basis points**—ranking among the top-performing strategies in the industry. **(Live performance: Bloomberg ticker MSBFUSGR <Index>, a collaboration between BFAI & Morgan Stanley).**

Emmalyn has secured three major contracts in just six months, proving strong market demand and pricing power. $5M–$8M annual revenue potential from just the first phase of these initial deals.

US Investment Bank – Allocating from its own balance sheet; post-track record, its sales force will distribute Emmalyn, earning 4–5x higher fees than in-house products.	Sovereign Wealth Fund ($3 Billion allocation facility) – Initial $150M allocation at 32bps, dropping to 25bps for $1B, 2x industry average pricing.	Top Insurance Asset Manager – $650K annual retainer to assess how Emmalyn could be a part of managing their Index business.

Emmalyn's Competitive Edge

2 to 3 bps cost structure at scale —crushing competitors on efficiency.	Premium pricing power—clients can charge 2–3x more for AI-driven index products.

Future Expansion

World's largest Sovereign Wealth Fund ($1.74 Trillion AUM) & major institutional platforms now evaluating Emmalyn for direct AUM management.

Emmalyn Risk Analyst (Co-Pilot) – Traction & Milestones

Since launching in 2019, Blue Fire AI's Emmalyn Risk Co-Pilot has built trust, a proven track record, and deep integration into investment decision-making. Like Collision Avoidance or Lane Assist in modern cars, it enhances human judgment without replacing it.

Enterprise Adoption & Expansion

- Secured multi-year enterprise contracts with leading global institutions, including Tier 1 Investment Banks, Asset Managers, Hedge Funds and Sovereign Wealth.

- Evolving from a standalone tool to a fully embedded "intelligence inside" solution, making it seamless, indispensable, and deeply integrated into clients' workflows.

A Defining Moment in AI Adoption

- More than just a tool—Emmalyn is becoming an AI-powered intelligence layer, automating decision-making within core investment systems

  Among the few AI firms achieving full enterprise integration, cementing BFAI's leadership in AI-driven investment workflows.

  With "Emmalyn-as-a-Service" now available via API, this milestone sets the foundation for global institutions to partner with BFAI and unlock AI's full potential across their vast networks.

Everyone is Talking AI Why is Emmalyn Different?

Neuro-Symbolic AI vs. Generative AI: Precision Matters in Capital Markets

- Neuro-Symbolic AI – Combines symbolic reasoning (Heuristics from out-performant investment expertise) with neural networks (Localised optimization and search) to deliver accurate, explainable results.

- Generative AI – Uses deep learning to generate new content based on patterns in data but lacks precision, reasoning, and explainability.

Why Neuro-Symbolic AI is Superior for Capital Markets

- Precision & Accuracy – Embeds financial logic, capital market rules, and structured reasoning, minimizing hallucinations and false positives.

- Explainability & Auditability – Critical for allocators and Asset Managers.

- Beyond Pattern Recognition – Moves beyond statistical correlations which assume future reflect the past to cause-and-effect models critical for investment decisions

Why BFAI Leads in Active Research

Blue Fire AI's Competitive Edge – Unlike generative AI models that rely purely on pattern detection in historical data and make a huge assumption of that repeating in the future, BFAI's neuro-symbolic AI is built in collaboration with domain experts, embedding financial logic, risk factors, and real-world constraints directly into its intelligence. This results in higher accuracy, lower error rates, and a fundamentally more reliable active research process for capital markets.

Industry Evidence & Research

- **MIT-IBM Watson AI Lab (2022):** Neuro-symbolic AI improves **decision accuracy by 30%** over deep learning alone in financial forecasting. MIT IBM Watson AI Lab

- **DARPA's Explainable AI (XAI) Program:** Symbolic reasoning significantly enhances **model transparency and reliability** in high-stakes domains. IBM Research

- **J.P. Morgan AI Research (2023):** Generative AI struggles with **financial hallucinations,** while rule-based AI significantly **reduces trading errors.** IT Pro

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Revenue Growth $5 Mio+ ARR Reaching Profitability

Revenue Path to $5M+ ARR (2025)

- ✓ 74% of forecasted revenue is secured from existing clients or near-final contracts, ensuring high confidence vs. reliance on new pipeline.

Revenue breakdown:

- ✓ **Existing revenue:** $1.5M
- ✓ **In-process contracts:** $1.6M
- ✓ **Expansion from existing clients:** $600K
- ✓ **New contracts:** $1.3M

Strategic Investment & Cost Structure

- ✓ **Current cost base:** $3.6M
- ✓ **Planned increase:** +$1M to scale contracted growth opportunities

Assumes full $5M funding secured. Primary risk: potential funding delays impacting execution timeline.

Great Entry Point

AI Market Valuations: A Strong Entry Point

✓ AI sector is outperforming AI businesses are valued at 5x higher than non-AI counterparts.

✓ Momentum accelerates: AI valuations increase 2.6x from Series B onwards, making this an attractive entry stage.

✓ **Upside potential: Raising into Series B in the US offers a strong rerating opportunity.**
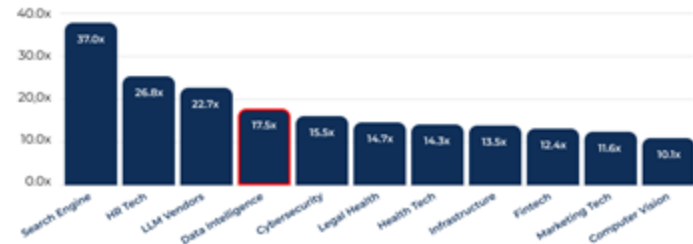
✓ Comparable market multiples:

AI Data Intelligence firms trade at a 17.8x median multiple, while BFAI is currently valued at ~16x, presenting upside potential.

Series A median valuation: $70M, Series B: $190M—BFAI is closer to Series B with an $80M valuation, positioning it on the lower band with room for significant growth.

Data Intelligence: 17.5x

Companies in the data intelligence sector are valued highly because they provide critical insights and analytics capabilities. This sector is pivotal for decision-making processes across industries, hence the substantial revenue multiples.
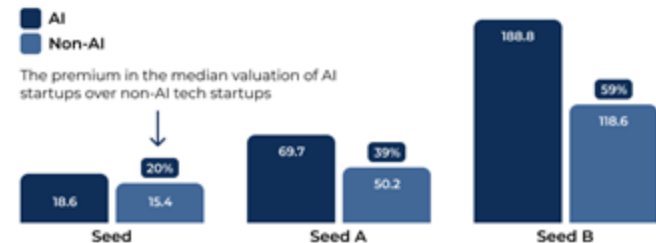
Select Leading AI Revenue Multiples

Search Engine 37.0x, HR Tech 26.8x, LLM Vendors 22.7x, Data Intelligence 17.5x, Cybersecurity 15.5x, Legal Health 14.7x, Health Tech 14.3x, Infrastructure 13.5x, Fintech 12.4x, Marketing Tech 11.6x, Computer Vision 10.1x

As we reach the mid-year mark of 2024, the landscape of AI startup valuations continues to be dynamic and promising.

Our expanded analysis of 100 leading AI companies reveals that investor confidence remains strong, as evidenced by the high average revenue multiple of 17.8x.

2023 Global Median Valuations of AI and Non-AI startups by stage | USD Millions

■ AI
■ Non-AI

The premium in the median valuation of AI startups over non-AI tech startups

Seed: AI 18.6, Non-AI 15.4 (20%)
Seed A: AI 69.7, Non-AI 50.2 (39%)
Seed B: AI 188.8, Non-AI 118.6 (59%)

Finro Financial Consulting: AI Start-up Valuation Report 2024

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Building a Multi Billion Dollar Enterprise

BFAI: The Next-Generation Vanguard for Institutional Active Asset Management

By applying **Vanguard-like scalability principles** to the **high-value active asset management space,** BFAI is creating the next wave of financial technology innovation, unlocking exponential revenue growth potential and a path to becoming a global industry leader.

Vanguard's Path to a Multi-Billion Dollar Enterprise:

- **Innovation in Asset Management:** Vanguard pioneered low-cost index funds, leveraging technology to create efficiency and scale.

- **Industry Integration:** Instead of disrupting existing financial infrastructure, Vanguard's model worked within it—gaining rapid adoption and compounding AUM growth.

- **Massive Market Opportunity:** By capturing demand for cost-efficient passive investing, Vanguard scaled to over $8 trillion AUM and became an industry giant.

BFAI's Parallel Growth Opportunity:

- High-Margin Disruption in Active Investing: Just as Vanguard used technology to dominate passive investing, BFAI is applying advanced AI to revolutionize active investment strategies with precision, scalability, and significantly improved margins.

- Seamless Industry Adoption: BFAI embeds into existing institutional workflows, removing barriers to entry and enabling immediate scaling opportunities.

- Expanding Market Demand: Institutional investors are actively seeking AI-driven precision solutions to enhance performance. BFAI is already seeing strong traction, with live deals and a growing pipeline supporting rapid revenue expansion.

- Massive Revenue & AUM Potential: Given the scale of institutional asset management and the demonstrated pricing power of BFAI's solutions, the firm is positioned to scale into a multi-billion-dollar enterprise by capturing a fraction of this vast market.

Message from Management

"At Blue Fire AI, we are redefining institutional asset management by integrating AI-driven precision and scalability into active investing. Traditional active management has long been constrained by inefficiencies, rising costs, and inconsistent performance. By leveraging Neuro-Symbolic AI, built with deep domain expertise, we have developed an AI-powered research and investment platform that delivers highly accurate, forward-looking insights.

What makes our approach unique is that we are not disrupting the system, we are enhancing it. Our technology is built to run on the existing rails of the financial industry, seamlessly integrating with asset managers, investment banks, and allocators. Just as Vanguard transformed passive investing by creating a scalable, cost-efficient model, we are pioneering the next generation of active asset management, enabling institutions to drive better investment decisions at scale, with greater efficiency and consistency.

The financial industry is at an inflection point, and AI is set to play a defining role. With proven adoption and a model designed for seamless scalability, Blue Fire AI is positioned to become a foundational technology in institutional investing, reshaping how capital is deployed, and performance is achieved."

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