PROJECT WING | AUGUST 2026 UNDERWRITE

Mission-critical warehouse software mispriced as a legacy category.

Wavelink is a 30+ year warehouse mobility platform embedded between rugged devices and the WMS, ERP, and SAP systems that run the warehouse floor. The cleaner interpretation is not generic SaaS growth. It is a durable, under-managed industrial middleware asset with recurring cash flow, real enterprise switching costs, and multiple buyer-controlled levers to improve revenue quality.

The investment case has three engines: protect the core, professionalize the core, and expand the platform only where acquisition economics materially improve the return on original equity. The debate is execution discipline, not technology novelty.

SCALE TODAY

6,100 customers and 50+ Fortune 100 relationships.

Embedded across warehouse workflows where uptime, throughput, and compliance matter operationally.

RECURRING BASE

$25.9M ARR as of May 2026, up from $24.4M at FY2025.

ARR continues to grow after most of the perpetual-license runoff has already occurred.

CASH PROFILE

Approximately 92% gross margin and $15.0M normalized standalone EBITDA.

Approximately 46.7% normalized EBITDA margin; lender sizing remains separately confirmed.

INSTALLED BASE

Approximately 4.5M devices in the field and 2.5M entitled devices.

Device counts are management estimates and support the installed-base monetization thesis.

ROUTE TO MARKET

84% channel ARR and 16% direct ARR.

The channel creates both concentration risk and a distribution asset for future products.

PRIMARY GATING ISSUE

Zebra is approximately 17% of ARR and 78% of devices.

The agreement has rolled into the 2027 term, but change-of-control continuity remains a closing condition.

Rugged devices and scanners	EDGE
Wavelink mobility layer	CONTROL POINT
WMS / ERP / SAP backends	SYSTEM OF RECORD

CORE JUDGMENT

The asset is attractive because Zeus can underwrite the downside to a recurring, high-margin installed base while the upside comes from installed-base expansion, retention, customer-level conversion, pricing, and selective M&A rather than a speculative technology leap.

- 6,100 customers and 50+ Fortune 100 relationships reduce market-adoption risk.
- The real work is commercial and structural, not product reinvention.
- Zebra continuity, current LTM EBITDA, and TSA scope remain the three gating close items.

[1] Current normalized standalone EBITDA is approximately $15.0M. Financing EBITDA is also approximately $15M, but remains a separately confirmed lender-sizing lens.

[2] Approximately 4.5M devices in the field and 2.5M entitled devices are management estimates and support the installed-base monetization thesis rather than independently audited counts.

[3] Zebra has rolled into the 2027 term, but change-of-control continuity, assignability, consent rights, and future Web / Forms economics remain explicit closing conditions.

The core protects capital, organic execution improves it, and disciplined acquisitions create the platform outcome.

Wavelink is operational middleware rather than discretionary SaaS. It sits on rugged devices and scanners, translates warehouse workflows into old and new backend environments, and benefits from the fact that customers rarely want to rewrite the systems beneath mission-critical pick, pack, ship, receive, and inventory processes. That makes the base business more durable than the shorthand "legacy terminal emulation" label suggests.

The investment case is that the product works, but ownership focus has been weak. Installed-base expansion is already the largest positive ARR movement, while retention, customer-level conversion, new-logo production, pricing, and revenue operations remain under-developed relative to the embedded nature of the base.

The right posture is conviction-led but conditional. A commercially intact downside is required to produce at least 2.0x, the organic case targets approximately 3.0x without M&A or meaningful multiple expansion, and buy-and-build must produce a modeled 4.5x+ platform outcome.

WHY THIS CAN WORK

A durable installed base already exists.

6,100 customers, 50+ Fortune 100 relationships, and workflow-level switching friction mean the core is more durable than the category shorthand suggests.

WHAT CHANGES THE OUTCOME

Expansion and retention, not reinvention.

$4.38M of LTM expansion ARR is the clearest current growth proof; retention, conversion, pricing, and new-logo productivity determine how durable that growth becomes.

WHAT INVESTORS MUST BELIEVE

Execution improves earnings within the existing valuation framework.

The enterprise base must remain durable while focused ownership grows EBITDA and repays debt without relying on acquisitions or multiple expansion.

[1] Current strategic return framework: at least 2.0x in a commercially intact downside, approximately 2.8x—3.2x in the organic case, and a 4.5x+ modeled buy-and-build outcome. The organic $20M—$22M Year-5 EBITDA target remains subject to bottom-up model validation.

INVESTMENT CASE

The opportunity is supported by a layered underwrite rather than a single software-growth assumption.

- The $15M current earnings base supports downside protection and debt capacity.
- Installed-base expansion, retention, and controlled conversion drive the organic case.
- Selective M&A is separate upside and must produce a 4.5x+ modeled platform outcome.
- Financing and normalized EBITDA are analytically distinct even though both are currently approximately $15M.

REFERENCE LAYER

Acronyms, shorthand, and underwriting language in one place.

This section separates current economics from plan-dependent improvement and defines the Wavelink-specific language used throughout the memo.

EVIDENCE FRAMEWORK

The definitions distinguish confirmed performance, management estimates, and post-close value creation so investors can evaluate each claim on the appropriate evidence standard.

Metrics and product shorthand

GRR / NRR — Use 85.2% FY2025 GRR for historical context, approximately 88.3% current subscription GRR as the principal forward downside variable, and sustainable NRR of approximately 105%—108% rather than the 113.3% headline.

FIN. EBITDA — Approximately $15M of financing EBITDA is the lender-sizing lens and remains subject to current LTM confirmation.

NORMALIZED — Approximately $15.0M of current normalized standalone EBITDA, representing an approximately 46.7% margin, anchors the operating underwrite and remains subject to final reconciliation.

DORMANT RECAPTURE — Current ARR from dormant perpetual customers is zero. No base-case credit is included without customer-level evidence, demonstrated cohort recovery, or contracted results.

TE — Terminal emulation, still the largest product layer and the part of the portfolio most exposed to backend modernization.

VELOCITY WEB — The web-hosted extension that helps defend accounts as customers modernize backend environments, typically at a lower price point.

Evidence and deal shorthand

UNDERWRITTEN VIEW — Recomputed customer-level, cohort, and transaction analysis that supersedes conflicting seller numbers.

MANAGEMENT ESTIMATE — Device counts and certain route-to-market assumptions that remain partially confirmatory.

SELLER EVIDENCE — Customer ROI examples and presentation materials that support the value proposition but are not fully independently verified.

CONFIRMATORY DILIGENCE — Current LTM EBITDA, churn root-cause attribution, TSA scope and cost, deferred revenue, AR aging, capex, SBC, and standalone G&A.

COC — Change-of-control treatment on key contracts, particularly Zebra, including continuity, assignability, and consent rights.

TSA — Transitional services required across finance, ERP, data, infrastructure, and product-separation workstreams.

INVESTMENT HIGHLIGHTS

The case is attractive because the downside is operationally real and the improvement levers are mostly buyer-controlled.

INVESTOR TAKEAWAY

The $15M earnings base, current expansion evidence, and buyer-controlled operating levers support conviction while the underwriting remains explicit about subscription retention, Zebra, and carve-out execution.

Blue-chip installed-base proof already exists COMMERCIAL PROOF

6,100 customers, 50+ Fortune 100 relationships, and 10+ year average tenure show that Wavelink is already embedded in demanding warehouse environments where workflow disruption is costly.

The downside is underwritten to a real annuity DOWNSIDE SUPPORT

Approximately 92% gross margin and $15.0M of normalized standalone EBITDA give the investment a current earnings base that does not require a leap into high-growth software to make sense.

Installed-base expansion is already visible GROWTH PROOF

$4.38M of LTM expansion ARR is the largest current positive growth component and provides direct evidence for a systematic top-account expansion program.

The remaining transition is finite and measurable VISIBILITY

$1.51M of LTM net migration supports near-term growth, but conversion is managed through named-customer plans and receives zero terminal migration growth.

The partner model is efficient and expandable DISTRIBUTION

More than 1,000 partners and a lean commercial base give Wavelink reach that can support renewals cleanup, cross-sell, and future adjacent products if the data and governance improve.

Buy-and-build is real upside, not the excuse to buy CAPITAL DISCIPLINE

The organic plan clears the core return hurdle. Adjacent acquisitions can improve the platform outcome materially, but only where transaction-specific economics beat the standalone case.

PROBLEM

The workflows are mission-critical, the backends are old, and the commercial plumbing around the asset has been under-run.

Warehouse execution still depends on rugged devices, scanners, peripherals, and backend environments that were not built for modern mobile workflows. Customers need reliability, scan speed, and compliance continuity, but cannot justify rewiring the full WMS or ERP stack simply to modernize the front line.

That creates the opportunity for Wavelink's software layer, but it also creates structural pressure. Device migration pushes customers onto newer subscriptions and web-hosted workflows, while backend web modernization makes parts of terminal emulation less defensible over time. The category is not broken; it is mature and contested.

LEGACY REALITY	Warehouse operators still run pick, pack, ship, and receiving tasks through old WMS and ERP environments that are not natively usable on modern rugged devices.
MODERNIZATION PRESSURE	Windows/CE to Android migration helps subscription conversion, but telnet-to-web modernization creates pressure from free browsers and WMS-native alternatives.
COMMERCIAL GAP	The real work is pricing architecture, renewals discipline, entitlement data, and channel accountability, not inventing a new category.
OPERATING IMPLICATION	The hold needs to monetize the installed base faster than the weaker SMB and Web edge commoditizes.

MOAT PROFILE

The strongest read from diligence is not "unassailable monopoly" or "melting ice cube." It is a bounded moat: strong in enterprise TE and regulated workflows, weaker at the web-native and SMB edge.

SOLUTION / PRODUCT

A layered warehouse mobility platform that starts as middleware and can compound into a broader workflow stack.

Wavelink modernizes warehouse workflows without forcing customers to replace the systems underneath. Its role is to translate device interactions, scanner inputs, peripheral integrations, and configurable scripts into usable workflows across the warehouse floor. The asset is best understood as industrial middleware rather than generic application software.

Where Wavelink sits in the workflow

MEMO-FACING PRODUCT ARCHITECTURE

Warehouse associate to rugged device to Wavelink to WMS / ERP / SAP to operational execution.

LAYER 01

Mission-critical execution

Terminal-emulation and mobility software that keeps picking, packing, shipping, receiving, and inventory tasks usable on rugged devices.

LAYER 02

Configuration estate

Scripts, templates, device policies, scanner behaviors, and peripheral integrations that create switching friction inside complex deployments.

LAYER 03

Modernization layer

Velocity Web, Voice, Forms, and future proof-of-condition tooling that defend accounts through backend modernization and create better recurring revenue architecture.

PRODUCT MIX

Velocity TE remains the revenue anchor.

$14.8M of ARR across 4,928 customers still sits inside terminal emulation. That is the cash engine and the category exposure at the same time.

DEFENSIVE EXTENSION

Velocity Web is the migration defense.

$6.1M of ARR across 4,767 customers extends relevance into web-hosted workflows, but at lower pricing and with less proven moat.

OPTIONALITY

Voice, Forms, and PoC are upside, not underwriting foundations.

Voice is small today, Forms is newly launched, and Proof of Condition is planned. They matter strategically and are underwritten conservatively.

PRODUCT MIX AT A GLANCE

- Velocity Terminal Emulation: $14.8M ARR; 4,928 customers.
- Velocity Web: $6.1M ARR; 4,767 customers.
- Voice: approximately $0.5M ARR; 44 customers.
- Forms: approximately $15K ARR; launched December 2025.
- Proof of Condition: planned for Q4 2026.

WHY NOW

Focused ownership, hardware refresh, and the carve-out have aligned at the same moment.

The asset appears attractive now because three forces are converging. First, Wavelink has spent years as a non-core unit inside a diversified parent, which left pricing, partner cadence, and commercial instrumentation under-developed. Second, device migration is already forcing the installed base through a subscription decision cycle. Third, the carve-out itself creates a reason to professionalize the asset rather than allowing it to drift inside a parent portfolio.

Ownership focus — **High**

No broad price increase for roughly 15 years, limited sales coverage, lapsed partner QBR cadence, no dedicated Forms seller, and a canceled renewals portal all point to under-management rather than product failure.

Refresh tailwind — **Medium-high**

Maintenance-to-subscription migration and hardware refresh create a real path to better recurring pricing, without assuming every migration preserves TE economics one-for-one.

Carve-out catalyst — **High**

The separation forces standalone commercial accountability, but also introduces TSA, vendor, ERP, and contract-transfer work that must be bounded before close.

WHAT CHANGES THE OUTCOME

Protect the base, then scale what is already working.

The value gap is less about inventing a new product and more about making installed-base expansion, retention, conversion, pricing, and revenue operations systematic.

WHAT INVESTORS MUST BELIEVE

The plan can improve earnings through operating execution.

Wavelink must preserve the enterprise base, improve recurring growth quality, and deleverage without relying on a higher exit multiple.

WHY THE TIMING MATTERS

Buying a well-run but under-managed asset after the operational proof exists and before the commercial levers are fully pulled is the attractive setup. The category does not need to accelerate; execution quality does.

MARKET OPPORTUNITY

The relevant market is narrower than the seller's framing, which is exactly why share, retention, and execution matter more than headline TAM.

The credible market lens is not an unconstrained growth SaaS market. It is a mature warehouse mobility niche with strong mission-critical use, modest core growth, and adjacent workflow areas that can matter over time if Wavelink earns the right to participate. The near-term return case depends on winning inside the current installed base and adjacent accounts, not on assuming demand solves the problem.

STRATEGIC PRIORITY

Product adjacency is the first strategic priority. Core consolidation remains selective and follows improvement in realized pricing, retention, and commercial execution across the base business.

CORE MARKET

Warehouse mobility and execution software remains the current economic center.

Velocity's installed base is the platform from which value can be captured, rather than evidence of a broad greenfield market still to be won.

ADJACENCIES

Voice, forms, proof-of-condition, analytics, and workflow tooling expand the wallet, not the base thesis.

These are credible future lanes and are excluded from entry pricing absent commercial proof.

PRACTICAL IMPLICATION

The value is in share, pricing, and retention inside a real niche.

Returns depend on converting embedded relevance into cleaner economics rather than riding a large market-growth wave.

BUY-AND-BUILD LANES

LANE 01

Core consolidation

TARGET PROFILE

TE, warehouse browsers, rugged-device workflow, and OEM mobility.

STRATEGIC BENEFIT

Scale, pricing power, customer consolidation, and selective moat reinforcement.

LANE 02 | PRIORITY

Product adjacency

TARGET PROFILE

Voice, forms, proof of condition, data capture, analytics, and device orchestration.

STRATEGIC BENEFIT

Cross-sell, revenue-quality diversification, and broader workflow ownership.

LANE 03

Channel / geography

TARGET PROFILE

Regional warehouse-mobility software and specialist vertical workflows.

STRATEGIC BENEFIT

Distribution leverage and access to attractive regional or vertical accounts.

BUSINESS MODEL

Value capture varies sharply by route to market, which is why the business model matters as much as the top-line ARR number.

REVENUE-QUALITY OPPORTUNITY

Recurring revenue quality varies by route to market. The value-creation opportunity is to improve account ownership, pricing, retention, and mix while reducing dependence on low-take OEM channels.

Wavelink is a capital-efficient annuity with a lean direct commercial footprint because the partner network carries much of the selling, fulfillment, and renewal load. That creates attractive unit economics at the core, but it also means a dollar of ARR is not equally valuable across direct subscription, channel subscription, maintenance, and low-take OEM rails.

CHANNEL MIX

Approximately 84% of ARR runs through the channel.

The channel creates global reach and installed-base leverage, but also weakens visibility and concentrates partner dependence.

DIRECT MIX

Approximately 16% of ARR is direct.

Direct exposure tends to be higher quality, with stronger price realization, better account visibility, and better GRR.

UNIT ECONOMICS

Revenue quality improves as the base shifts away from low-take OEM economics.

Pricing, account minimums, and route-to-market changes can improve realized value without inventing new demand.

INSTALLED-BASE LEVERAGE

The base already did the expensive work of customer acquisition.

The platform benefits from embedded access to customers, devices, and partners that future products can ride.

CURRENT REVENUE-QUALITY FRAMING

DIMENSION 01

Recurring mix

CURRENT READ

ARR grew each year while perpetual-license revenue declined.

WHY IT MATTERS

The business is becoming cleaner, but not all reported growth is equally durable.

DIMENSION 02

Maintenance vs. subscription

CURRENT READ

Migration uplift helped FY2025 NRR and is not treated as fully repeatable.

WHY IT MATTERS

Sustainable NRR is lower than the reported peak and needs to be underwritten accordingly.

DIMENSION 03

Route to market

CURRENT READ

Direct GRR materially exceeds channel GRR.

WHY IT MATTERS

Better data, pricing, and renewal ownership should raise the quality of the recurring base.

What the underwriting is actually saying in numbers.

The financial case is strongest when the business is read as a recurring base that is improving in quality while legacy revenue runs off. The key discipline is to separate the financing case from the normalized operating case, and to make clear that organic returns do not require multiple expansion or acquisitions to clear the target.

INVESTOR UNDERWRITING FRAMEWORK

- Approximately $15M of normalized standalone EBITDA is the current operating starting point, subject to final reconciliation.
- Financing EBITDA remains a separate lender-sizing construct even though it is also currently approximately $15M.
- Migration uplift is finite, modeled by customer, and assigned zero terminal growth.
- The $20M—$22M organic endpoint is an illustrative strategic target pending bottom-up model validation.

Historical revenue quality

ARR compounded while one-time license revenue declined, then reached approximately $25.9M by May 2026 as the recurring mix continued to improve.

FY2023A	ARR $19.1M	One-time mix remains material
FY2024A	ARR $20.4M	License runoff accelerates
FY2025A	ARR $24.4M	Recurring mix increasingly dominant

$25.9M
ARR as of May 2026

$3.1M
FY2025 one-time license revenue

Retention and growth quality

The enterprise core is durable, but approximately 88.3% current subscription GRR is the principal forward commercial downside variable. Reported FY2025 NRR includes finite migration-related uplift.

FY2025 GRR	85.2%
Subscription GRR	88.3%
Reported NRR	113.3%
Sustainable NRR	105—108%

96.3%
Enterprise logo retention >$75K

91.8%
Approximate ex-SMB GRR

Returns scenarios

The updated framework requires the organic case to clear the target without M&A or meaningful multiple expansion, while acquisitions must create a materially superior platform outcome.

Organic | Downside | Buy-and-build

Approximately 3.0x MOIC

Approximately $20M—$22M of illustrative Year-5 EBITDA through organic execution and deleveraging, with no acquisitions or meaningful multiple expansion.

Starting EBITDA	$15.0M
Year-5 target	$20M—$22M

Transaction and capital ask

A full-cash carve-out with leverage sized off financing EBITDA and equity framed around efficient closing uses rather than fully prefunding all separation work.

ENTRY ENTERPRISE VALUE
$115M
Current offer.

DEBT AT CLOSE
$67.5M—$75.0M
4.5x—5.0x financing EBITDA.

PURCHASE-PRICE EQUITY
$40.0M—$47.5M
Equity funding against the purchase price.

TOTAL INVESTOR EQUITY
$45M—$55M
Includes fees and minimum cash.

LIQUIDITY FACILITY **$5M—$10M**
Targeted revolver or delayed draw, initially undrawn.

At the $115M entry enterprise value, Wavelink is priced at approximately 7.7x current normalized standalone EBITDA and approximately 4.4x May 2026 ARR. The $67.5M—$75.0M debt range equals approximately 4.5x—5.0x current earnings; final sizing remains subject to LTM, Avalanche, standalone-cost, working-capital, and lender reconciliation.

CUSTOMER TRACTION

The customer list validates relevance, and the underlying proof points are stronger than logo wallpaper.

Wavelink's strongest traction evidence is not that recognizable logos appear in a deck. It is that customers with complex, high-throughput, and regulated warehouse environments trust the platform where device failure or workflow disruption has real operational cost.

COSTCO WHOLESALE

Large-scale retail distribution

J&J

Regulated enterprise workflow

BOSCH

Industrial supply-chain complexity

DHL

Logistics execution relevance

ENTERPRISE DURABILITY

The enterprise tier behaves much better than the blended customer base.

- 96.3% enterprise logo retention for accounts above $75K.
- 84.0% three-year GRR in the 2022-and-earlier enterprise cohort.
- Direct GRR of 91.3% versus channel GRR of 84.5%.
- Approximately $4.7M of ARR tied to regulated pharma and food / beverage workflows.

SELLER-PROVIDED ROI EXAMPLES

The spend is tied to throughput, accuracy, labor, and service outcomes.

- Hyundai Mobis Australia: 15% productivity increase, 39% fewer picking errors, 600+ parts per hour.
- Mile Hi Companies: 43% cost savings, 66% reduction in training time, 48% reduction in customer credits.
- The examples support the value proposition directionally but have not been independently validated.

CUSTOMER-QUALITY TAKEAWAY

- The platform wins in demanding operating environments where reliability matters.
- Customers often renew and expand rather than re-evaluate.
- Outside Zebra, end-customer concentration is manageable.
- The weaker customer-quality issues sit in smaller, newer, and more channel-mediated accounts.

COMPETITIVE POSITIONING

The moat is real where execution is complex, but it is not equally strong across every product layer or customer segment.

Velocity combines mission-critical execution, OEM-agnostic device reach, and a non-portable configuration estate. That makes it more defensible than free browsers or general device-management tools in complex enterprise environments. It does not mean the entire category is protected from modernization pressure.

COMPETITIVE FRAMING

CORE PLATFORM

Wavelink TE

LEGACY FIT	Strong
WORKFLOW DEPTH	Strong
SWITCHING COST	High
ENTERPRISE FIT	Strong

MODERNIZATION LAYER

Velocity Web

LEGACY FIT	Medium
WORKFLOW DEPTH	To be validated
SWITCHING COST	Lower and less proven
ENTERPRISE FIT	Promising

TE PEER

StayLinked

LEGACY FIT	Strong
WORKFLOW DEPTH	Medium
SWITCHING COST	Medium
ENTERPRISE FIT	Medium

NATIVE ALTERNATIVE

Chrome / native

LEGACY FIT	Weak to medium
WORKFLOW DEPTH	Limited
SWITCHING COST	Low
ENTERPRISE FIT	Workflow-dependent

VERSUS FREE BROWSERS

Native scanner APIs, resilience, and deep warehouse workflow support still matter.

Enterprise bake-offs show that simple browser substitution is not enough in more demanding environments.

VERSUS DEVICE MANAGEMENT

Execution workflow is not the same as device control.

Tools such as SOTI and Intune manage devices, but they do not run the workflow layer itself.

VERSUS TE PEERS

StayLinked caps pricing today and may become a strategic consolidation target later.

That is useful strategic optionality, but the base case does not rely on it.

COMPETITIVE ADVANTAGE

The moat is the combination of embedded workflow relevance, configuration friction, OEM reach, and regulated switching costs. It is strongest in large enterprise TE deployments and weaker in Web, SMB, and modernization-edge accounts.

GROWTH STRATEGY / VALUE CREATION

Protect the $15M earnings base, then scale the recurring-growth engine already visible in the data.

The value-creation plan is not a turnaround from impaired earnings. It protects approximately $15M of current normalized standalone EBITDA, completes the remaining transition customer by customer, makes installed-base expansion systematic, improves subscription retention and new-logo production, and converts recurring growth into cash and deleveraging.

DAY 1—100

Protect and instrument the earnings base.
Stand up the carve-out PMO, complete top-25 account reviews, confirm the next 12 months of renewals and conversions, implement ARR definitions, and establish independent cash and operating control.

ESTABLISH CONTROL

YEAR 1

Scale expansion and retention.
Systematize the $4.38M LTM expansion engine, deploy the renewal and save-desk cadence, improve subscription GRR, and rebuild new-logo productivity from the current $0.91M LTM level.

IMPROVE RECURRING QUALITY

YEARS 2—3

Compound verified growth.
Expand product penetration and enterprise packaging, complete the finite migration program, and pursue acquisitions only where each add-on clears its hurdle and improves the platform return.

BUILD THE PLATFORM

CURRENT EVIDENCE AND ORGANIC BRIDGE

STARTING BASE
$15.0M
Current normalized EBITDA
Approximately 46.7% margin; subject to final LTM and standalone-cost reconciliation.

$4.38M LTM
Installed-base expansion
Largest current positive ARR movement and the primary organic growth engine.

$1.51M LTM
Net migration
Finite near-term growth modeled by customer with zero terminal migration growth.

88.3%
Subscription GRR
Principal forward commercial downside variable and a core operating KPI.

$0.91M LTM
New ARR
Approximately 30% below the Q4 2025 peak; only partial recovery is assumed.

ILLUSTRATIVE TARGET
$20M—$22M
Year-5 organic EBITDA
Strategic endpoint subject to a reconciled, bottom-up operating model.

VALUE-CREATION PRIORITIES

- Installed-base expansion is the primary organic growth engine.
- Subscription retention is the principal forward commercial downside variable.
- Migration is finite; dormant-customer recapture receives no base-case credit without evidence.
- M&A remains separate upside after the core operating system is established.

MANAGEMENT TEAM

The conveying team appears lean and credible; the build is around standalone G&A and coverage, not a core-team reset.

One of the more constructive features of the case is that the transaction appears to preserve the product, commercial, and support capability needed to keep the installed base stable on Day 1. The organization is lean rather than bloated, which matters because the base underwrite depends more on continuity and discipline than on wholesale reorganization.

The more important question is not whether the team understands warehouse mobility. It is whether Zeus can add the standalone G&A, RevOps, and selected coverage needed to monetize the base more effectively without disrupting the product bench or partner relationships that already exist.

WHAT CONVEYS TODAY

56 FTEs across product, GTM, and support.

20 product and engineering roles, 29 go-to-market roles, and 7 professional services / support roles appear to convey with the business, preserving the operating core.

NAMED LEADERSHIP STRENGTH

Continuity sits with leaders who know the category.

Alex Evans and Greg Henry convey with the business, average VP tenure exceeds 10 years, and R&D averages 9+ years of tenure across the product bench.

WHY CONTINUITY MATTERS

Protect the installed base first.

Customers, partners, OEM relationships, and migration workstreams are too important to destabilize unnecessarily while Zebra, TSA separation, and renewals instrumentation are still active priorities.

PRIMARY AUGMENTATION NEED

Build the standalone machine around the core team.

Finance, HR, legal, IT, RevOps, and selected sales coverage are expected to be added post-close. The build is around standalone infrastructure and KPI cadence rather than a product-team rebuild.

ORGANIZATION PLAN

- The conveying leadership and product bench preserve account, partner, and support continuity.
- Standalone finance, HR, legal, IT, RevOps, and selected sales coverage complete the operating model.
- The first 100 days establish KPI cadence around pricing, GRR, renewals, and partner economics.
- A limited reconciliation between 51 employees and 56 conveying FTEs remains part of confirmatory diligence.

RISKS AND UNDERWRITING CONSIDERATIONS

The opportunity is compelling, but the open items need to be managed directly rather than explained away.

Risk framing should sound direct, not defensive. The right tone is that several issues matter because they can impair value, but most of them can be managed with pricing discipline, contract work, bounded TSA support, and tighter data visibility. Zebra is the clearest binary.

ZEBRA COC	High-impact concentration risk. The agreement has rolled into the 2027 term, but written continuity, assignability, consent treatment, and termination mechanics remain critical closing items.	HIGH
TE-TO-WEB DILUTION	Velocity Web is priced below TE and the switching moat is less proven. Migration must be managed account by account rather than assumed to preserve economics automatically.	MEDIUM
SMB CHURN	Smaller and newer cohorts churn faster. The growth plan needs disciplined customer selection, a renewals desk, and lower-cost coverage models for the long tail.	MEDIUM
CURRENT LTM	Approximately $15M of current normalized standalone EBITDA is the operating starting point, subject to final LTM, Avalanche, standalone-cost, and lender reconciliation.	HIGH
CARVE-OUT	Shared systems, 45+ non-conveying vendor agreements, and product dependencies require a bounded TSA and realistic one-time cost planning.	HIGH
CHANNEL CONCENTRATION	Top partner concentration and weaker partner-level GRR create visibility risk. End-customer mapping and QBR discipline need to improve quickly.	MEDIUM

RISK CALIBRATION

Approximately 88.3% subscription GRR is the principal commercial downside variable, dormant-customer recapture receives no base-case credit, and Zebra continuity remains a distinct change-of-control risk rather than ordinary renewal exposure.

THE ASK

An efficient full-cash acquisition with capital reserved for execution discipline, not narrative optimism.

The transaction is structured as a full-cash corporate carve-out financed with approximately $67.5M—$75.0M of debt and approximately $45M—$55M of total investor equity, plus a targeted revolver or delayed draw for temporary liquidity and separation support. Separation costs are expected over time and are funded primarily from operating cash flow and targeted liquidity rather than fully prefunded common equity at close.

ILLUSTRATIVE SOURCES AND USES

FINANCING CASE 01

4.5x debt case

CASH PURCHASE PRICE	$115.0M
FEES AND MINIMUM CASH	$4.0M—$8.0M
TOTAL CLOSING USES	~$119M—$123M
DEBT	$67.5M
PURCHASE-PRICE EQUITY	$47.5M
TOTAL INVESTOR EQUITY	~$52M—$55M

FINANCING CASE 02

5.0x debt case

CASH PURCHASE PRICE	$115.0M
FEES AND MINIMUM CASH	$4.0M—$8.0M
TOTAL CLOSING USES	~$119M—$123M
DEBT	$75.0M
PURCHASE-PRICE EQUITY	$40.0M
TOTAL INVESTOR EQUITY	~$45M—$48M

Investment conditions. The investment remains subject to confirmation of current LTM EBITDA, executable financing, written Zebra continuity, a bounded Day 1 / TSA plan, and final purchase-agreement protections covering working capital, deferred revenue, accounts receivable, and key contract transfer.

CAPITAL STRUCTURE PRINCIPLES

- The revolver remains subject to executed lender commitments.
- Separation spending is expected over 12—24 months and can be funded efficiently as costs arise.
- Financing EBITDA and normalized EBITDA remain distinct across the capital and operating cases.
- Downside scenarios floor sponsor equity at zero and present any debt shortfall separately.

CLOSING THESIS

Wavelink is attractive as a durable operating company managed toward higher-quality recurring growth and platform economics.

The opening is a real earnings base. Wavelink has $25.9M of current ARR, approximately $15M of normalized standalone EBITDA, durable enterprise usage, and recurring cash flow that support downside protection.

The organic underwrite is operational. Installed-base expansion, retention, customer-level migration, new-logo productivity, pricing, RevOps, and deleveraging provide a path to approximately 3.0x without acquisitions or meaningful multiple expansion.

The platform outcome is upside, not necessity. Adjacent acquisitions can broaden the workflow stack and improve revenue quality, but each add-on must clear at least 3.0x on incremental equity and the combined strategy must produce a modeled 4.5x+ outcome.

FAQ

Selected investor questions addressed with evidence from the diligence materials.

QUESTIONS ADDRESSED

The Q&A addresses the principal investor questions on category durability, retention quality, installed-base monetization, acquisition dependence, and Zebra continuity.

Why is this not just a declining terminal-emulation asset? -

Because the economic center of the asset is not generic TE software in abstraction. It is mission-critical warehouse execution embedded across devices, scripts, templates, peripherals, and backend systems where customers incur real disruption cost when switching.

The category is mature and structurally pressured, but the enterprise core remains durable enough that a focused owner can improve revenue quality before the category fully commoditizes at the weaker edge.

How should investors read the 113.3% reported FY2025 NRR? -

As a helpful data point, but not as the sustainable underwriting number. Migration-related uplift and volume expansion contributed meaningfully to the reported peak.

The cleaner investor framing is approximately 88.3% current subscription GRR as the principal forward downside variable and sustainable NRR of approximately 105%—108%, rather than extrapolating finite migration uplift.

How is dormant-customer recapture treated? -

Current ARR from dormant perpetual customers is zero. Potential recapture is tracked separately from active-customer retention and does not rewrite historical GRR.

The base case includes no credit without customer-level evidence, demonstrated cohort recovery, or contracted results; validated recapture remains probability-weighted upside.

Do acquisitions need to happen for the deal to work? -

No. The organic value-creation plan is what clears the target return. Acquisitions are strategic upside that can make the platform materially larger and higher quality, but they are not required to justify the initial investment.

What is still open on Zebra after the auto-renew mechanics rolled into 2027? -

The remaining issue is no longer ordinary-course renewal timing. It is change-of-control treatment: continuity, assignability, consent requirements, termination rights, and future Web / Forms economics after the transaction closes.

SPONSOR PROFILE

Zeus brings a sponsor fit that is relevant to both the current underwrite and the platform ambition.

The fit here is not generic financial sponsorship. Wavelink requires a sponsor that can underwrite current cash flow conservatively, translate diligence into a clear operating plan, and evaluate adjacent software acquisitions with capital discipline rather than category enthusiasm.

UNDERWRITING DISCIPLINE

Recomputed data over seller headlines.

The current thesis is built on Zeus customer-level and financial recomputation rather than the seller's more aspirational framing around NRR, margin, and exit value.

SECTOR RELEVANCE

Software, industrial workflow, and carve-out pattern recognition.

The asset sits at the intersection of software, operational infrastructure, logistics execution, and carve-out complexity rather than inside a pure software growth story.

CAPITAL ALLOCATION

M&A as optionality, not a crutch.

Zeus can pursue adjacent acquisitions where they improve returns materially, while keeping the initial investment case anchored to the standalone and organic value-creation logic.

LeapFrog Investments

Africa Finance Corporation

ExxonMobil

slb

STANFORD BUSINESS

SPONSOR RELEVANCE

- The operating plan aligns with Zeus's focus on pricing, renewals, contracts, and execution discipline.
- The platform strategy benefits from acquisition underwriting grounded in returns rather than thematic appetite.
- The financing approach is designed to remain credible with both equity investors and lenders.

APPENDIX

Supplemental detail on confirmatory workstreams, carve-out requirements, and evidence behind the core thesis.

APPENDIX SCOPE

The appendix provides supporting detail on confirmatory diligence, carve-out execution, historical performance, customer value evidence, and closing conditions.

Confirmatory diligence still required before closing

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Current LTM EBITDA reconciliation, license and recurring-credit roll-forward, churn and downsell root-cause attribution, partner-level GRR, deferred revenue, AR aging, standalone G&A, TSA pricing and duration, capex, capitalized software, SBC, and the 51 employees versus 56 conveying FTEs reconciliation remain active confirmatory items.

Carve-out and TSA workstreams

-

Expected TSA categories include finance and SAP, order-to-cash, revenue accounting, CRM and renewal data, webstore, ERP and data extraction, infrastructure, identity and collaboration, DevOps, Forms / Neurons separation, third-party services, cybersecurity, contract migration, export compliance, and HR transition support.

Indicative durations range from roughly three to eighteen months depending on workstream. Final TSA terms should include extension rights, cost transparency, no unagreed markup, data-migration assistance, and objective exit milestones.

Historical financial profile

-

ARR rose from $19.1M in FY2023A to $24.4M in FY2025A and reached approximately $25.9M by May 2026, while one-time license revenue declined from $21.0M to $3.1M. The current operating underwrite uses approximately $15M of normalized standalone EBITDA, subject to final LTM, Avalanche, and standalone-cost reconciliation.

Customer value proof points

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Seller-provided examples include Hyundai Mobis Australia, where Velocity was deployed on 500+ Zebra wearable devices with a reported 15% productivity increase and 39% fewer picking errors, and Mile Hi Companies, where Velocity and Velocity Voice reportedly delivered 43% cost savings and 66% less training time.

These seller-provided case studies support the value proposition directionally but have not been independently validated.

Closing conditions

-

Written Zebra continuity through the 2027 term following change of control, bounded Day 1 and TSA planning, key customer and partner contract transfer, executable financing, key-person retention, and final working-capital, deferred-revenue, and AR protections should all remain explicit closing conditions.

FUTURE PLATFORM ARCHITECTURE

The strategic upside comes from building outward from the installed base, not from abandoning the core.

The most credible future-state architecture keeps the current warehouse execution layer at the center, then adds higher-quality workflow products, better monetization infrastructure, and adjacent acquisitions that can ride the same customer and partner ecosystem.

Future state platform design

ORDERED FROM CORE TO FUTURE STATE

Each layer should improve revenue quality, customer ownership, and strategic optionality.

CORE	**Warehouse execution base**	Velocity TE and Web remain the cash engine and the source of installed-base access.
MONETIZATION	**Entitlements, renewals, pricing, and customer mapping**	Better systems make the recurring base cleaner, more visible, and more defensible.
WORKFLOW	**Voice, Forms, Proof of Condition, and analytics**	These products expand wallet share and improve the platform's claim on the workflow layer.
ADJACENCY	**Selective acquired software modules**	Task management, data capture, device orchestration, or other adjacent tools can be distributed through the same route to market where economics justify the risk.
DISTRIBUTION	**Customer and partner ecosystem**	The 6,100-customer base and 1,000+ partner network are the route to market for a broader warehouse software platform.

PLATFORM DIRECTION

The future platform diversifies terminal-emulation exposure through higher-quality adjacent workflows while preserving the current core as the cash-generative foundation of the strategy.