

CREDTENT

Investment Memo for Pre-Seed Round

AI Training and Display Data Infrastructure | SAFE Round: \$1.5M @ \$10M Cap | March 2026

Executive Summary

Investment Thesis

Credtent is the neutral licensing platform for AI training and display data. Like Blackstone's \$50B data center portfolio provides unavoidable compute infrastructure, Credtent provides unavoidable content infrastructure. Every AI company needs both. Blackstone owns one. Credtent will own the other.

The Opportunity

- \$2.6 trillion in PE dry powder is hunting for AI infrastructure plays.
- AI companies face billions in legal liability from unlicensed scraping (NYT v. OpenAI, Getty v. Stability AI). Licensing is no longer optional—it's legally mandatory.
- Credtent is the first-mover in providing neutral licensing infrastructure.

The Ask

\$1.5M SAFE at \$10M valuation cap to reach more than \$500K ARR in 12 months and position for a \$5M–\$10M seed round at 3–5x higher valuation.

The Return

Infrastructure software exits at 10–15x revenue. At \$100M revenue (5-year target), valuation = \$1B–\$1.5B. From \$10M SAFE cap: 100–150x return.

1. Market Opportunity

The \$600 Billion AI Market Needs Two Things:

1. COMPUTE Data Centers Blackstone • AWS • Azure • Google Cloud	2. CONTENT Training Data Credtent
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Total Addressable Market

Market	Size	Description
TAM	\$600B+	Entire AI industry — all AI companies need training data
SAM	\$50B–\$100B	Premium content licensing: educational, news/media, medical, scientific, sports, research, entertainment

SOM	\$11M → \$500M	Year 1: \$11M facilitated (\$1.5M–\$2M revenue) Year 3: \$72M+ facilitated Year 5: \$500M facilitated (\$75M–\$100M revenue)
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Market Timing: Legal Environment Forcing Change

Case	Implications
NYT v. OpenAI (filed Dec 2023, ongoing)	NYT seeking billions in damages for ChatGPT trained on copyrighted articles. Discovery shows OpenAI knew scraping was legally risky. Outcome: Scraping era is over. Licensing is mandatory.
Getty v. Stability AI (filed Jan 2023)	Image generator trained on scraped Getty photos. Getty seeking statutory damages + injunction. Outcome: Visual content licensing required.
GitHub Copilot (class action, ongoing)	Code completion trained on open-source repos without proper attribution. Developers seeking compensation. Outcome: Code licensing infrastructure needed.

Every major AI company now faces licensing liability. The question isn't if they'll license — it's through whom.

2. Product & Business Model

What Credent Does

Credent is a two-sided marketplace connecting content creators (publishers, media companies, data providers) with AI companies (foundation models, vertical AI, enterprise AI).

Revenue Streams

Stream	Description	Model
Back-End Training Data Licensing	AI companies license content for model training (one-time or ongoing)	15–20% take rate on transaction value
Front-End Generative Referencing	AI companies pay for citation/attribution when outputting content	Pay-per-reference or subscription; 15–20% take rate
Additional Services	Human-composed certification, content valuation, compliance monitoring, legal templates	Service fees (add-on margin)

Unit Economics

\$750K–\$1M Avg Deal Size (Year 1)	80–85% Content Provider Share	90%+ Gross Margin Near-zero marginal cost
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Sales Commission Note: Credent pays a 15% sales commission on Credent Revenue (the 17% take rate on facilitated deal value) to its enterprise sales team. This commission is modeled as a variable operating expense and does not affect gross margins from the platform itself. All revenue and net income figures in this memo and supporting financial models reflect this commission expense.

3. Competitive Moat & Why Credent Wins

The Neutrality Moat

Why OpenAI Can't Build This	Why Publishers Can't Build This	Why Credent Wins
<ul style="list-style-type: none"> Content creators don't trust OpenAI (they're the ones scraping) Conflict of interest—would favor their own AI Asking the fox to guard the henhouse 	<ul style="list-style-type: none"> AI companies don't trust publishers (adversarial relationship) No technical infrastructure expertise Competing publishers can't coordinate 	<ul style="list-style-type: none"> We are Switzerland in the AI content wars Both sides need a neutral third party Neutrality is binary—once claimed, can't be replicated

Capital Efficiency vs. Blackstone

Moat Element	Blackstone (Data Centers)	Credent (Content Licensing)
Barrier to entry	\$10B+ capital requirement	Trust + network effects (time, not capital)
Scaling cost	Linear (\$B+ per data center)	Near-zero (software scales infinitely)
Margins	10–15% (capital-intensive)	15–20% take rate (capital-light)
Competition	AWS, Azure, Google Cloud	None—no neutral platform exists

Credent has Blackstone's moat (unavoidable infrastructure) without Blackstone's capital requirements.

4. Traction & Proof Points

Content Partners (8+ Onboarded)

8+ Premium Content Partners Onboarded and active	1M+ Licensed Content Pieces Sports, medical, education, B2B media	Q2 '26 First AI Deals Closing Active pipeline, names under NDA
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Partner Content & Coverage

Partner	Content & Coverage
Sports Reference	Gold-standard sports statistics. Used by ESPN, New York Times, FiveThirtyEight. Millions of data points across major sports.
Science & Medicine Group	AuntMinnie.com — 84,693 articles; my.auntminnie.com — 1,027 radiology cases; auntminniecme.com — 515 courses; boardreview.auntminnie.com — 716 questions AuntMinnieEurope.com — 19,494 articles; DrBicuspid.com — 29,479 articles Annual additions: AuntMinnie.com ~3,000 AuntMinnieEurope.com ~1,000 DrBicuspid.com ~1,500
Rosen Publishing Group	Educational content for K–12 schools and libraries. Thousands of titles across subjects. Established 1950, trusted brand.

Twin Sisters Online Media	3,300+ copyrighted songs (distributed on Spotify, Apple Music, Amazon Music) 1,067 eBooks (PDF, EPUB, Read-Along formats; 1,000+ additional planned for 2026) 1,000+ audiobooks with narration and music integration 600+ teacher resources (worksheets, lesson plans, activity guides) 1,100+ YouTube videos; 126K subscribers; 80M albums sold 180+ national awards 9 RIAA Gold certifications 1 RIAA Platinum certification
Cannabis Business Times	B2B trade publication for the cannabis industry.
Additional Partners	Whispering Woods Studios, game industry companies, and others in the pipeline.

Revenue Status

Milestone	Status / Target
Current MRR	Revenue-generating with content partners
First AI Deals	Pipeline active — closing Q2–Q3 2026
ARR Target	\$1M+ ARR by Q1 2027

5. Team

<p>Eric Burgess, MBA Founder & CEO</p> <ul style="list-style-type: none"> 30 years in technology industry Disney producer of multimillion-selling IP Earned Media Value Index creator — setting industry standards is his playbook Writer, game designer, and podcaster (understands the creator side) 	<p>Dr. Galen Buckwalter Co-Founder & Chief Scientist</p> <ul style="list-style-type: none"> Founding scientist, eHarmony (built algorithm responsible for 4% of marriages in the US) PhD in psychometrics, Brain-Computer Interface pioneer Designed Credent's human-composed content certification system with CEO 8+ years in research-as-a-service
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6. Go-to-Market Strategy

	Phase 1: Supply (2024–2026)	Phase 2: Demand (2026–2027)	Phase 3: Scale (2027+)
Goal	Build critical mass of premium content partners	Close first 10–15 AI company licensing deals	Become industry standard for AI content licensing
Status	✓ 8+ partners onboarded	▶ Active now — Q2 2026	○ 2027+

7. Financial Projections

Year 1 (2026–2027)

Year 3 (2028–2029)

Year 5 (2030–2031)

Facilitated Revenue	\$11M	\$72M	\$500M
Take Rate	15–20%	15–20%	15–20%
Credent Revenue	\$.5M–\$1M	\$10M–\$12M	\$75M–\$100M
AI Company Deals	10–15	50/year	75–100/year
Avg Deal Size	\$750K–\$1M	~\$1.4M (blended)	\$5M–\$7M
Headcount	5–10	25–35	75–100+
Profitability	Cash-flow positive Y1	EBITDA positive	High-margin SaaS

Path to \$.5M ARR (12 Months)

Assumption	Target
AI Company Deals	10–15 deals
Average Deal Size	\$750K–\$1M (blended training + referencing)
Credent Take Rate	15–20%
Revenue Range	\$.5M–\$1M
Conservative Target	\$.5M ARR

Burn Rate & Runway

~\$79K Monthly Burn Rate At full \$1.5M SAFE deployment	18–24mo Runway From \$1.5M SAFE	\$1M ARR Seed Round Trigger Late 2027 target
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8. Use of Funds (SAFE Round: \$1.5M)

Allocation	Budget	Detail
Sales & Marketing	60% \$600K–\$1.5M	<ul style="list-style-type: none"> Hire 2–3 enterprise sales reps Marketing manager + content marketing AI conferences (NeurIPS, AI for Good Summit) Thought leadership: PR, articles, speaking
Product Ops & Engineering	30% \$300K–\$750K	<ul style="list-style-type: none"> Platform enhancement for industry changes API integrations (content provider systems, AI training pipelines) Certification system enhancements (format expansion) Expert-in-the-loop research and certification work
Admin & Legal	10% \$100K–\$250K	<ul style="list-style-type: none"> Legal counsel: licensing agreements, IP protection Finance/accounting infrastructure Contract management + compliance

Key Milestones (Next 12 Months)

Quarter	Milestones
Q2 2026	Close first 3–5 AI company deals • Hire 2 sales reps + 1 marketing manager • Launch self-service platform for content providers
Q3 2026	\$500K–\$750K ARR • 15+ content partners onboarded • Expand AI pipeline to 20+ active conversations
Q4 2026	\$750K–\$1M ARR • Launch referencing/citation product • Begin seed round conversations
Late 2027	\$1M ARR achieved • Seed round raise (\$5M–\$10M at 3–5x SAFE cap) • Team: 10–15 people

9. Exit Potential

Strategic Acquirers

Acquirer Category	Examples & Rationale
Platform companies	Salesforce (AI + enterprise SaaS), Adobe (creative tools + content), ServiceNow (enterprise AI infrastructure)
Content aggregators	Thomson Reuters (legal/news content + AI tools), Bloomberg (financial data + AI terminals)
Infrastructure plays	Databricks (AI platform + data infrastructure), Snowflake (data cloud + AI)

Return Analysis

10–15x Infrastructure Software Multiple At exit / IPO	\$1B–\$1.5B Valuation at \$100M Revenue 5-year target	100–150x Return from SAFE Cap \$10M cap → \$1B+ exit
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10. Risks & Mitigation

Risk 1: AI companies don't adopt licensing

Likelihood: Very Low (legal precedent is clear)

- NYT v. OpenAI, Getty v. Stability AI = billions in liability exposure
- AI companies are already licensing (OpenAI/AP, OpenAI/Axel Springer)
- Scraping is legally dead

Credent Advantage: We're building infrastructure before mass adoption, not after.

Risk 2: Google/Microsoft/Meta builds a competing platform

Likelihood: Low (neutrality is the moat)

- Content creators won't trust an OpenAI- or Google-owned platform
- Same reason Blackstone works: no AI company trusts competitors to be neutral
- Once "Switzerland" positioning is established, it can't be replicated by biased parties

Credent Advantage: Neutrality is binary. First-mover in trust = permanent advantage.

Risk 3: Content gets commoditized (AI trains on AI-generated content)

Likelihood: Medium (AI-generated content is increasing)

- As AI-generated content floods the internet, verified human-created content becomes more valuable, not less
- Our certification system is the moat
- Blackstone's data centers are valuable because they're reliable. Credent's content is valuable because it's verified.

Credent Advantage: The more AI slop exists, the more premium verified content is worth.

Risk 4: Regulatory uncertainty

Likelihood: Medium (AI regulation is evolving)

- Credent supports regulation (we're pro-licensing, pro-attribution)
- EU AI Act, US proposals = all favor licensing infrastructure
- Regulatory tailwind, not headwind

Credent Advantage: We're building the infrastructure regulators want to exist.

11. Why Invest Now

<p>\$2.6T PE Dry Powder Hunting for AI infrastructure plays</p>	<p>86% PE Confidence 6-year high</p>	<p>+40% Buyout Deal Volume YoY Crossing \$1 trillion</p>
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This SAFE round is the last chance at this valuation. Once we hit \$1M ARR, our seed round will be at 5x+ this cap. This is the ground floor.

12. Investment Highlights

- ✓ **Massive market:** \$600B AI industry — all need training data
- ✓ **Legal tailwind:** NYT v. OpenAI forcing licensing (not optional)
- ✓ **Defensible moat:** Neutrality + network effects (can't be replicated by OpenAI or publishers)
- ✓ **Capital-light:** Software scales infinitely, near-zero marginal cost
- ✓ **Proven traction:** 8+ content partners, millions of pieces of content, AI pipeline active
- ✓ **Clear path to \$1M ARR:** 10–15 deals in 12 months
- ✓ **Infrastructure economics:** Recurring revenue, unavoidable, forever (Blackstone model)
- ✓ **Experienced team:** Eric (tech + content expertise), Dr. Buckwalter (scientific moat)
- ✓ **Exit potential:** 10–15x revenue multiples = \$1B+ at \$100M revenue
- ✓ **100–150x return:** From \$10M SAFE cap to \$1B+ exit

13. The Investment Decision

Will AI companies need licensed training data?	Yes. Legally mandatory. Already happening.
Who will provide the infrastructure for that licensing?	Credent. Only neutral platform. First-mover. Network effects. Winner-take-most.
What's the return?	Infrastructure software exits at 10–15x revenue. At \$100M revenue: \$1B–\$1.5B. From \$10M SAFE cap: 100–150x.

Credtent is the Blackstone of AI training data. Every AI company needs two things: compute (Blackstone) and content (Credtent). Both unavoidable. Both recurring. Both forever.

Eric Burgess

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Glossary of Key Terms

AI & Technology Terms

Foundation Models — Large-scale AI models (e.g., GPT, Claude, Llama) trained on vast datasets that serve as a base for many downstream applications. Credtent's platform enables AI companies to license specialized, rights-cleared content for training these models.

Training Data — The corpus of text, audio, images, or other content used to teach an AI model. Access to high-quality, domain-specific training data is a critical competitive differentiator for AI companies. Rights-cleared training data (legally licensed rather than scraped) is increasingly demanded by enterprises, regulators, and courts.

Expert-in-the-Loop — A model validation approach where a human domain expert reviews or verifies AI outputs, ensuring accuracy and accountability in specialized fields (e.g., medical, legal, sports analytics). Credtent's content partners provide this domain expertise.

Generative AI — AI systems capable of producing original content (text, images, audio, code) rather than simply classifying or predicting. Generative AI represents the primary market segment driving demand for Credtent's licensed content marketplace.

Industry Conferences

NeurIPS — Neural Information Processing Systems conference; one of the most prestigious AI research venues globally, attended by the top AI labs and enterprises that represent Credtent's prospective buyers.

AI for Good Summit — An annual UN-affiliated event bringing together governments, NGOs, and technology companies to apply AI to global challenges. Credtent's neutrality and ethical licensing model align with the priorities of participants at this conference.

Content Partners

Sports Reference — Publisher of comprehensive, authoritative sports statistics databases (Baseball-Reference, Pro-Football-Reference, etc.), representing structured, high-value sports data for AI training.

AuntMinnie.com / Science & Medicine Group — Leading radiology and medical imaging publication with peer-reviewed clinical content. A flagship Credtent content partner representing the medical AI vertical, where licensed training data is especially high-value.

RIAA — Recording Industry Association of America; the trade organization representing the U.S. recording industry. Credtent is in active discussions with RIAA as a potential content partner, which would unlock access to music catalog rights for AI audio and voice applications.

Twin Sisters — Educational content publisher specializing in K–12 learning materials including music, audio, and curriculum resources. Represents the educational AI training vertical within the Credtent partner network.

Rosen Publishing — Independent publisher of reference, educational, and library books covering a broad range of subjects. As a Credtent partner, Rosen contributes structured reference content suitable for AI training in research and knowledge-base applications.

Business & Financial Terms

SAFE — Simple Agreement for Future Equity; a popular early-stage investment instrument that converts into equity at a future financing round, typically at a valuation cap. Credtent is currently raising a SAFE round at a \$10M valuation cap.

Take Rate — The percentage of gross transaction value that Credtent retains as revenue when facilitating a licensing deal between an AI company and a content partner. Credtent's take rate is approximately 17% of the gross deal value (the total licensing fee paid by the AI company).

Two-Sided Marketplace — A platform that connects two distinct user groups (here, AI companies and content providers), each of which creates value for the other. Credtent sits between these two sides, facilitating licensing transactions and capturing value through its take rate.

Network Effects — The phenomenon where a platform becomes more valuable to each participant as more users join. For Credtent, more content partners attract more AI buyers, and more AI buyers attract more content partners—creating a compounding competitive advantage that is difficult for new entrants to replicate.

Post-Money Valuation Cap — The maximum company valuation at which a SAFE investor's investment converts to equity, calculated after accounting for the new investment. A lower cap is more favorable to the investor. Credtent's SAFE is offered at a \$10M post-money valuation cap.

PE Dry Powder — Uncommitted capital that private equity firms have raised from investors but not yet deployed into deals. High levels of PE dry powder signal strong demand for attractive acquisition targets; Credent's IP-rich platform positions it as a compelling acquisition candidate as AI infrastructure M&A heats up.

This investment memo is for informational purposes and does not constitute an offer to sell securities. Investing in early-stage companies involves substantial risk of loss.