Business Plan

& Valuation Presentation

Contents

OUR VISION & MISSION

Our Mission

LittleStars Learning Center is dedicated to providing high-quality early childhood education and care in a nurturing and innovative environment. We create a safe and stimulating space where children can explore, learn, and grow through engaging activities and educational programs. Our focus on individualized attention, creativity, and social development, supported by experienced and caring educators, ensures each child receives the support they need to reach their full potential while offering parents peace of mind.

Our Vision

LittleStars Learning Center aspires to be a beacon of excellence and innovation in early childhood education. We envision a future where all children have access to high-quality, nurturing care that fosters their intellectual, emotional, and social growth. By continuously evolving our educational programs and maintaining a team of passionate and skilled educators, we aim to set new standards in early childhood education, positively impacting the lives of countless families and shaping the leaders of tomorrow.

Summary Financials Dashboard

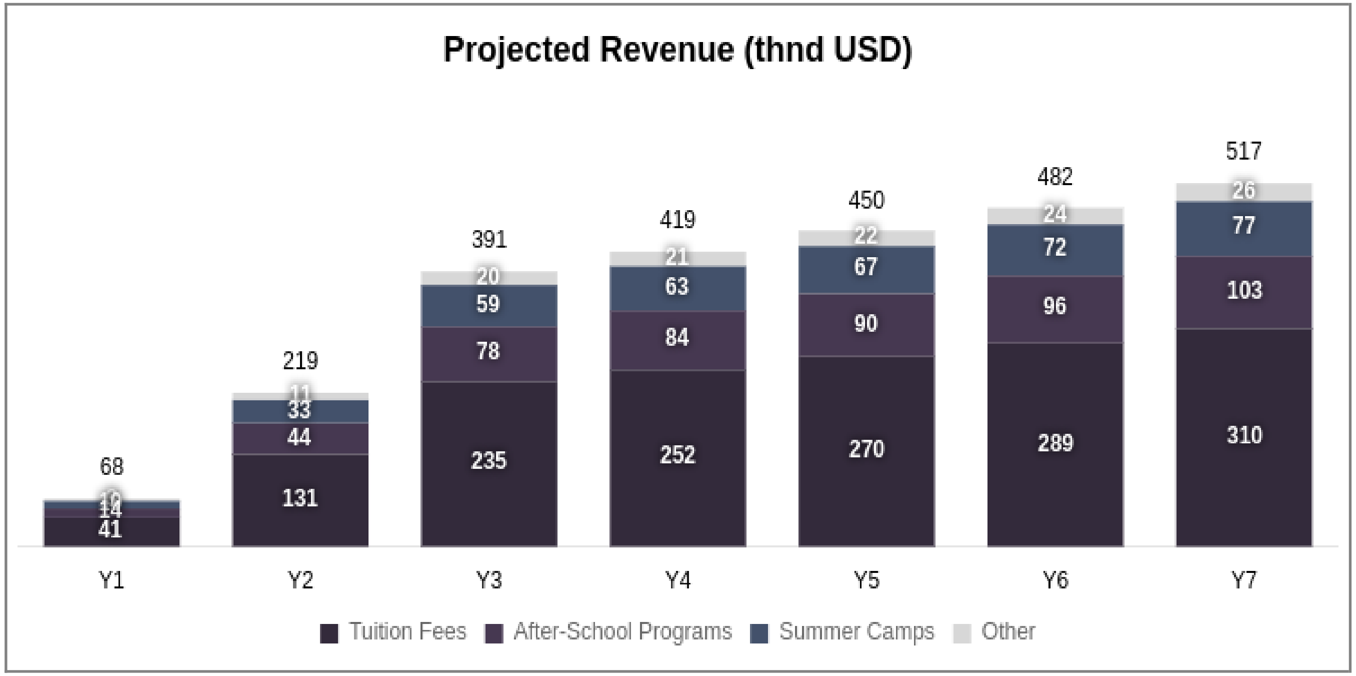
Key performance indicators
(Base Scenario Y3)

$ 391k
Revenue

$ 173k
Gross Profit

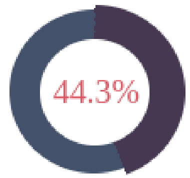
$ 30k
EBITDA

0.15%
Target Market Share

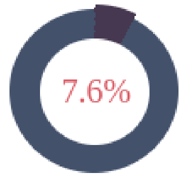


Margins
(Stabilized by Y3)

GP Margin

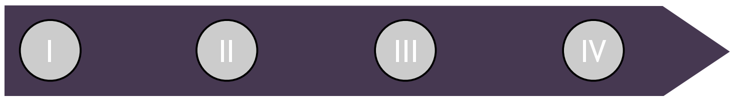


EBITDA Margin



PbT Margin

Project Phases



Foundation Establishment
Core Enhancement
Diversified Revenue Streams
Innovative Ventures

Funding round is aimed to accelerate the development of Phases and create core infrastructure for operations.

Investment will be used to finance CAPEX, WC buffers, etc.

Investment $ 300k

Y1 CAPEX $ 255k

WC $ 9k

About the Company: General Overview

LittleStars Learning Center is a nurturing and innovative day care facility dedicated to providing high- quality early childhood education and care. The center operates within the Education sector, specializing in Pre-primary and primary education industries. LittleStars Learning Center offers a safe, stimulating environment where children can explore, learn, and grow through a variety of engaging activities and educational programs. Emphasizing individualized attention, creativity, and social development, the center is supported by a team of experienced and caring educators. LittleStars is committed to fostering a positive and enriching experience, ensuring that each child receives the support they need to reach their full potential while giving parents peace of mind.

The Main Phases: Projects & Impacts

01 Foundation Establishment

Phase I.

Launch a high-quality day care service focusing on early childhood education, emphasizing individualized attention, creativity, and social development in a safe, stimulating environment.

03 Diversified Revenue Streams

Phase III.

Introduce supplementary services such as after-school programs, weekend workshops, and summer camps to create new profit streams and reinforce LittleStars' market leadership.

02 Core Enhancement

Phase II.

Enhance educational programs, diversify engaging activities, and expand the user base by integrating new curriculums and tools to maximize children's developmental potential.

04 Innovative Ventures

Phase IV.

Explore high-risk, high-reward opportunities like digital educational tools, franchise models, and partnerships with tech companies to bring future-forward educational solutions to the sector.

Product Impact on Core Stakeholders

Main Stakeholder	Product Benefits
Children	1. Access to a high-quality early education that focuses on individualized learning and social development. 2. Exposure to a safe and stimulating environment that nurtures creativity and cognitive growth. 3. Opportunities to engage in diverse activities that foster holistic development.
Parents	1. Assurance that their children are in a safe, caring, and stimulating environment. 2. Peace of mind knowing their children are receiving high-quality education and personalized attention. 3. Access to diverse programs that accommodate their children's and family's varied needs.
Educators	1. Opportunities for professional growth and continuous learning. 2. A supportive work environment that values their expertise and contributions. 3. Access to innovative tools and curricula to enhance teaching effectiveness.
Community	1. Contribution to societal well-being through high-quality early childhood education. 2. Creation of job opportunities within the community. 3. Establishment of a reputable institution that supports community engagement and development.
Investors	1. Potential for consistent returns through diversified revenue streams. 2. Investment in a growing market with a strong demand for quality education services. 3. Opportunities to be part of innovative and forward-thinking projects in the education sector.
Local Businesses	1. Enhanced local economy through increased business from families needing childcare services. 2. Opportunities for partnerships and cross-promotions with LittleStars. 3. Strengthened ties within the community through shared initiatives and support.
Regulatory Bodies	1. Assurance of compliance with educational standards and regulations. 2. Collaboration opportunities to advance early childhood education policies and practices. 3. Contribution to higher quality standards in the pre-primary and primary education sectors.

Sources: Company's Prop Assessment

Key Performance Components

Competitive Advantage

Individualized Attention

LittleStars Learning Center offers personalized care and education tailored to the unique needs of each child, ensuring they receive the support necessary to thrive and develop their full potential.

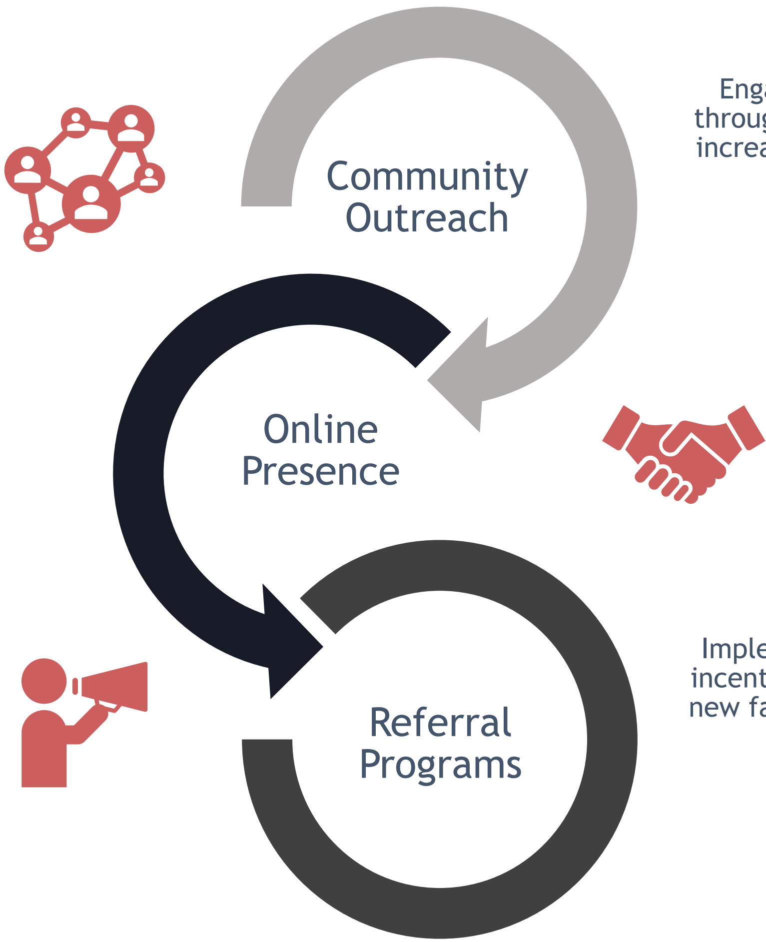
Experienced Educators

The center boasts a team of highly qualified, experienced, and caring educators who are dedicated to fostering a nurturing and stimulating environment for early childhood development.

Engaging Programs

With a variety of stimulating educational programs and activities, LittleStars ensures a dynamic learning experience that promotes creativity, exploration, and social development for every child.

Marketing and Growth Strategy



Engage with local communities through events and partnerships to increase brand visibility and foster trust among parents.

Develop a strong online presence through an updated website, social media, and parent testimonials to attract and inform potential clients.

Implement referral programs that incentivize current parents to refer new families, thereby driving word-of-mouth growth.

Target Groups

	Industries	Description
I	Young Parents	Parents with children aged 6 months to 5 years seeking a safe, nurturing, and educational day care environment.
II	Local Community Organizations	Community centers and local organizations looking for collaborative opportunities to provide educational programs and resources to families.
III	Early Childhood Educators	Qualified teachers and caregivers specialized in early childhood education who are seeking employment opportunities in a supportive, child-focused environment.
IV	Schools and Educational Institutions	Local schools and educational bodies interested in partnerships to enhance early childhood learning through shared programs and resources.
V	Corporate Clients	Businesses and corporations looking to offer high-quality day care services as a benefit for their employees, enhancing work-life balance.
VI	Government Agencies	Public agencies interested in collaborating to provide accessible, high-quality early childhood education services within the community.
VII	Technology Partners	Tech companies and digital education tool providers that are potential partners for developing innovative educational solutions.

Sources: Company's Prop Assessment

Painpoints & Solutions

Solution from Phase I to Phase IV

	Painpoints	Solution
1	**Limited Individual Attention** Parents are concerned about their children not receiving enough individualized attention in crowded daycare settings.	LittleStars Learning Center prioritizes small class sizes and a high teacher-to-child ratio to ensure each child receives ample personalized attention.
2	**Lack of High-Quality Early Childhood Education** Many daycares provide basic care but lack structured educational programs that promote early development.	LittleStars Learning Center offers a structured curriculum focusing on early childhood education, encompassing cognitive, social, and emotional development.
3	**Safety Concerns** Parents are often worried about the safety and security of their children in daycare environments.	LittleStars Learning Center ensures a secure and monitored environment with robust safety protocols to provide peace of mind for parents.
4	**Limited Diverse Educational Activities** Parents seek a variety of engaging and educational activities but find many daycares lacking in diverse programs.	LittleStars Learning Center offers a wide range of diverse educational activities, integrating new curriculums and tools to enhance learning and development.
5	**Underutilized Development Potential** Children's potential is often underutilized due to lack of innovative and comprehensive educational programs.	LittleStars Learning Center integrates comprehensive and innovative programs designed to maximize each child's developmental potential.
6	**Static and Outdated Curriculums** Many educational programs are static and fail to incorporate the latest educational tools and methodologies.	LittleStars Learning Center continuously updates its curriculums with the latest educational tools and methodologies to keep learning dynamic and effective.
7	**Limited Engagement** Children often lose interest in conventional educational activities that do not engage them effectively.	LittleStars Learning Center offers interactive and engaging activities that captivate children's interests and enhance their learning experience.

Strategic Analysis: SWOT

Strength

High-quality early childhood education and care; Safe, stimulating environment; Emphasis on individual attention; Experienced, caring educators; Focus on creativity and social development.

Weaknesses

Limited geographic presence; High dependency on skilled educators; Potential for high operational costs; Reliance on word-of-mouth marketing; Vulnerability to local economic downturns.

Opportunities

Expansion to new locations; Introduction of advanced technological learning tools; Enhanced partnerships with local schools; Development of online educational resources; Growing demand for quality early childhood education.

Threats

Intense competition; Regulatory changes in the education sector; Economic downturns affecting enrollment; Fluctuating birth rates; Negative perceptions from isolated incidents.

Sources: Company's Prop Assessment

History & Roadmap

Jun 2025
New Location
Open a new daycare location to expand service coverage.

Mar 2025
Community Engagement
Initiate community outreach programs and events.

Dec 2024
Digital Expansion
Launch online learning portal and digital resources for parents.

Sep 2024
Staff Training
Implement comprehensive training for teaching and support staff.

Jun 2024
Curriculum Enhancement
Update and enhance educational curriculum with new activities.

Feb 2024
Facility Upgrade
Renovate and upgrade educational facility infrastructure.

Current Status.

Feb 2024: Renovate and upgrade educational facility infrastructure.Jun 2024: Update and enhance educational curriculum with new activities.Sep 2024: Comprehensive staff training implemented.Dec 2024: Launch online learning portal and digital resources.Mar 2025: Initiate community outreach programs and events.Jun 2025: Open a new daycare location to expand service coverage.

Organizational and Marketing Tasks

#	Check List Item	Status	Priority	Area	ETA
General Planning and Organization					
1	Develop Business Plan	Not Started	High	CEO	1 month
2	Secure Funding	Not Started	High	CFO	2 months
3	Register Business	Not Started	High	COO	1 month
4	Find Suitable Location	Not Started	High	CPO	2 months
5	Hire Key Educators	Not Started	High	CSO	3 months
6	Develop Safety Protocols	Not Started	High	COO	2 months
7	Set Up Legal Advisors	Not Started	Medium	CRO	1 month
8	Craft Mission and Vision Statements	Not Started	Medium	CEO	1 month
Marketing					
1	Develop Branding Strategy	Not Started	High	CMO	2 months
2	Design and Launch Website	Not Started	High	CIO	3 months
3	Establish Social Media Presence	Not Started	Medium	CMO	1 month
4	Create SEO Strategy	Not Started	Medium	CMO	1.5 months
5	Develop Promotional Materials	Not Started	High	CMO	2 months
6	Conduct Market Research	Not Started	Medium	CSO	2 months
7	Launch Customer Referral Program	Not Started	Medium	CRO	3 months
8	Plan and Execute Grand Opening Event	Not Started	High	COO	4 months

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 1 & Technical Set Up for next Phases					
1	Secure Initial Funding	Not Started	High	CFO	2 months
2	Hire Key Personnel	Not Started	High	COO	1 month
3	Design Curriculum	Not Started	High	CPO	3 months
4	Set Up Facility	Not Started	High	COO	2 months
5	Obtain Licenses and Permits	Not Started	High	CSO	1 month
6	Develop Safety Protocols	Not Started	High	CSO	1 month
7	Create Parent Handbook	Not Started	Medium	CMO	2 months
8	Implement Enrollment System	Not Started	Medium	CTO	1 month
Phase 2					
1	Recruit experienced educators	Not Started	High	COO	2 months
2	Integrate advanced educational curriculums	Not Started	High	CPO	3 months
3	Upgrade educational tools and resources	Not Started	Medium	CTO	2 months
4	Develop new creative activities	Not Started	Medium	CSO	1 month
5	Expand the user base through strategic partnerships	Not Started	High	CRO	4 months
6	Implement child development tracking system	Not Started	Medium	CIO	3 months
7	Launch marketing campaign for enhanced programs	Not Started	High	CMO	2 months
8	Conduct parent feedback surveys to refine programs	Not Started	Low	COO	1 month

Overview of Phases

#	Check List Item	Status	Priority	Area	ETA
Phase 3					
1	Develop After-School Program Curriculum	Not Started	High	CPO	2 months
2	Negotiate Partnerships for Weekend Workshops	Not Started	High	CRO	3 months
3	Hire and Train Staff for New Programs	Not Started	High	COO	2 months
4	Set Up Marketing Campaign for New Services	Not Started	Medium	CMO	1 month
5	Create Summer Camp Itinerary and Program	Not Started	High	CPO	2 months
6	Purchase Additional Educational Materials	Not Started	Medium	CFO	1 month
7	Implement Feedback System for New Services	Not Started	Medium	COO	1 month
8	Evaluate Financial Impact of New Revenue Streams	Not Started	High	CFO	3 months
Phase 4					
1	Develop Digital Educational Tools	Not Started	High	CTO	6 months
2	Research Franchise Opportunities	Not Started	High	CEO	8 months
3	Identify Potential Tech Partnerships	Not Started	Medium	CTO	4 months
4	Pilot Franchise Model in Select Locations	Not Started	High	COO	10 months
5	Develop New Digital Content	Not Started	Medium	CPO	5 months
6	Secure Funding for Innovative Projects	Not Started	High	CFO	7 months
7	Form Strategic Alliances with EdTech Firms	Not Started	Medium	CIO	6 months
8	Evaluate and Implement Innovative Teaching Methods	Not Started	Low	CPO	9 months

Core Risks & Migration Strategies

1. Operation and maintenance risks

#	Risk Type	Area	Mitigation Strategy
1	Staff Turnover	COO	Implement comprehensive training programs and competitive benefits to retain high-quality staff
2	Quality Control	CPO	Regularly conduct quality assessments and feedback loops with educators to maintain high standards
3	Health and Safety Issues	CSO	Develop and enforce stringent health and safety protocols, and conduct periodic safety drills and inspections
4	Facility Maintenance	COO	Establish a proactive maintenance schedule and a rapid response system for any facility issues
5	Technology Failures	CTO	Implement robust and redundant technology infrastructure and conduct regular system checks

2. Regulatory and legal risks

#	Risk Type	Area	Mitigation Strategy
1	Compliance with Childcare Licensing	COO	Continuously monitor and adapt to local, state, and federal childcare licensing requirements to ensure full compliance and undergo regular internal audits.
2	Staff Background Checks	CRO	Implement rigorous background screening processes for all employees and regularly review protocols to maintain a safe environment for children.
3	Health and Safety Regulations	COO	Adhere to stringent health and safety guidelines, conduct regular safety drills, and ensure all staff are trained in emergency procedures and first aid.
4	Data Privacy Laws	CIO	Adopt comprehensive data protection policies and deploy advanced cybersecurity measures to safeguard children's and parents' sensitive information.
5	Intellectual Property Rights	CPO	Ensure all educational materials and tools are properly licensed and seek legal consultations to protect proprietary content and innovations.

Sources: Company's Prop Assessment

Core Risks & Migration Strategies

3. Strategic/Market Risk

#	Risk Type	Area	Mitigation Strategy
1	Competitive Market Pressure	CEO	Continuously monitor the competitive landscape and innovate by incorporating new, unique educational programs that set LittleStars apart from competitors.
2	Changing Consumer Preferences	CPO	Conduct regular surveys and focus groups to stay current with parents' and children's preferences and adapt our offerings accordingly.
3	Economic Downturn	CFO	Maintain a robust financial reserve and offer flexible pricing options to accommodate families during economic hardships.
4	Technological Disruption	CTO	Invest in advanced technological tools and digital platforms to stay ahead of advancements in educational technology.
5	Talent Retention	COO	Implement comprehensive professional development programs and competitive compensation packages to attract and retain top talent.

4. Finance risk

#	Risk Type	Area	Mitigation Strategy
1	Cash Flow Shortages	CFO	Implement stringent budget management and establish a reserve fund to cover unexpected expenses.
2	Revenue Fluctuations	CFO	Diversify revenue streams through supplementary services and adjust pricing strategies based on demand analysis.
3	Initial Funding Deficit	CEO	Secure multiple funding sources, including grants, loans, and investments, while maintaining transparent financial reporting to attract investors.
4	Expense Overruns	COO	Regularly monitor and review operational costs and negotiate with suppliers to maintain cost-efficiency.
5	Credit Risk	CFO	Evaluate the creditworthiness of clients and partners, and implement a robust credit policy to minimize potential bad debts.

5. Other general risk

#	Risk Type	Area	Mitigation Strategy
1	Reputation Damage	CMO	Continuously monitor client feedback and implement a proactive communication strategy to manage and address any negative perceptions promptly.
2	Staff Retention Challenges	COO	Invest in competitive compensation packages, professional development opportunities, and a positive work environment to enhance staff satisfaction and retention.
3	Changing Consumer Preferences	CPO	Regularly conduct market research and adapt educational programs and services to meet evolving parental expectations and children’s needs.
4	Technological Obsolescence	CTO	Stay ahead by investing in the latest educational technologies and training staff to utilize these tools effectively.
5	Market Competition	CSO	Continuously innovate and differentiate LittleStars' offerings to maintain a competitive edge in the market and attract loyal customers.

Sources: Company's Prop Assessment

Market Overview (TAM, SAM and SOM)

Target Available Market (TAM)	Pre-primary and primary education (consolidated) Subindustry	$ 4.538.828k	Source: TAM is based on third party market estimation provided by IBIS World. CAGR is based on open source web research. Expected CAGR for industry is 7.20%
Service Available Market (SAM)	1.50%	Given LittleStars Learning Center's innovative approach, experienced staff, and focus on quality, it can realistically capture up to 1.5% of the significant TAM in Denmark's pre-primary and primary education market, accounting for its capital and resources.	
Service Obtainable Market Y1-Y3 (SOM)	Year 1 0.10000% Year 2 0.30000% Year 3 0.50000%	LittleStars Learning Center, with its strong focus on quality and innovation in early childhood education, can expect a conservative market share growth in the competitive Danish pre-primary and primary education sector. Initial year growth is moderate due to industry concentration and established players, but with	

Funding Allocation

The funding will be used to finance the CAPEX and cash deficit from Year 1 operations, aiming to expedite the development process. In subsequent years the company plans to sustain operations without requiring major additional capital injection.
Table below presents the overview of expected inflows and outflows.

The total investment required is $ 300k

Y1 Cash Flow Streem(thnd USD)	Inflows	Outlows
Gross Profit	30	
Payroll Expenses		10
Rent & Utilities		5
Marketing and Branding		2
Training and Development		2
Capex		255
Other Miscellaneous		1
Communication Expenses		1
Office supplies		1
Legal and Professional Fees		1
Representation and Entert.		1
CAPEX & WC shortage Y1		250
Buffer		50
Total Required Investment(thnd USD)		300

Payroll Expenses
3.65%

Rent & Utilities
1.95%

Marketing and Branding
0.73%

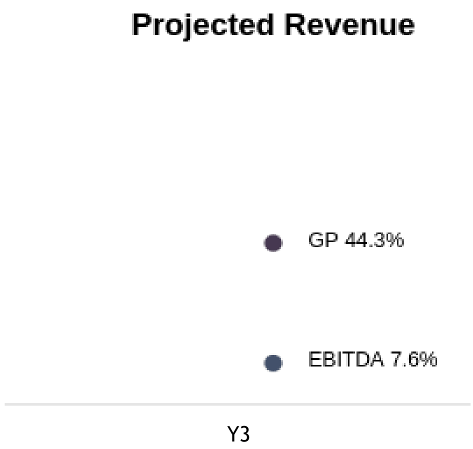
Training and Development
0.73%

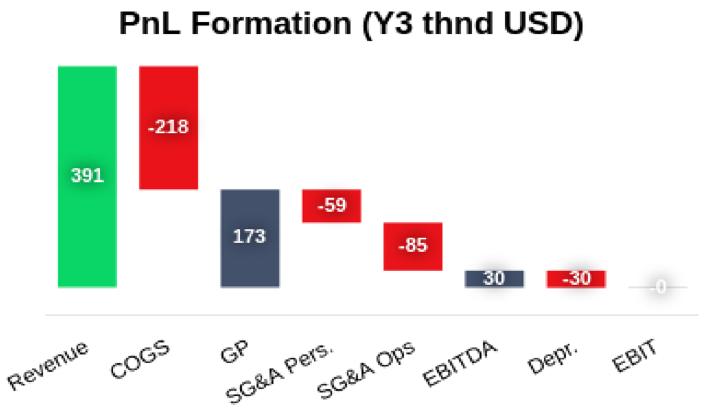
Capex
91.08%

Other
1.87%

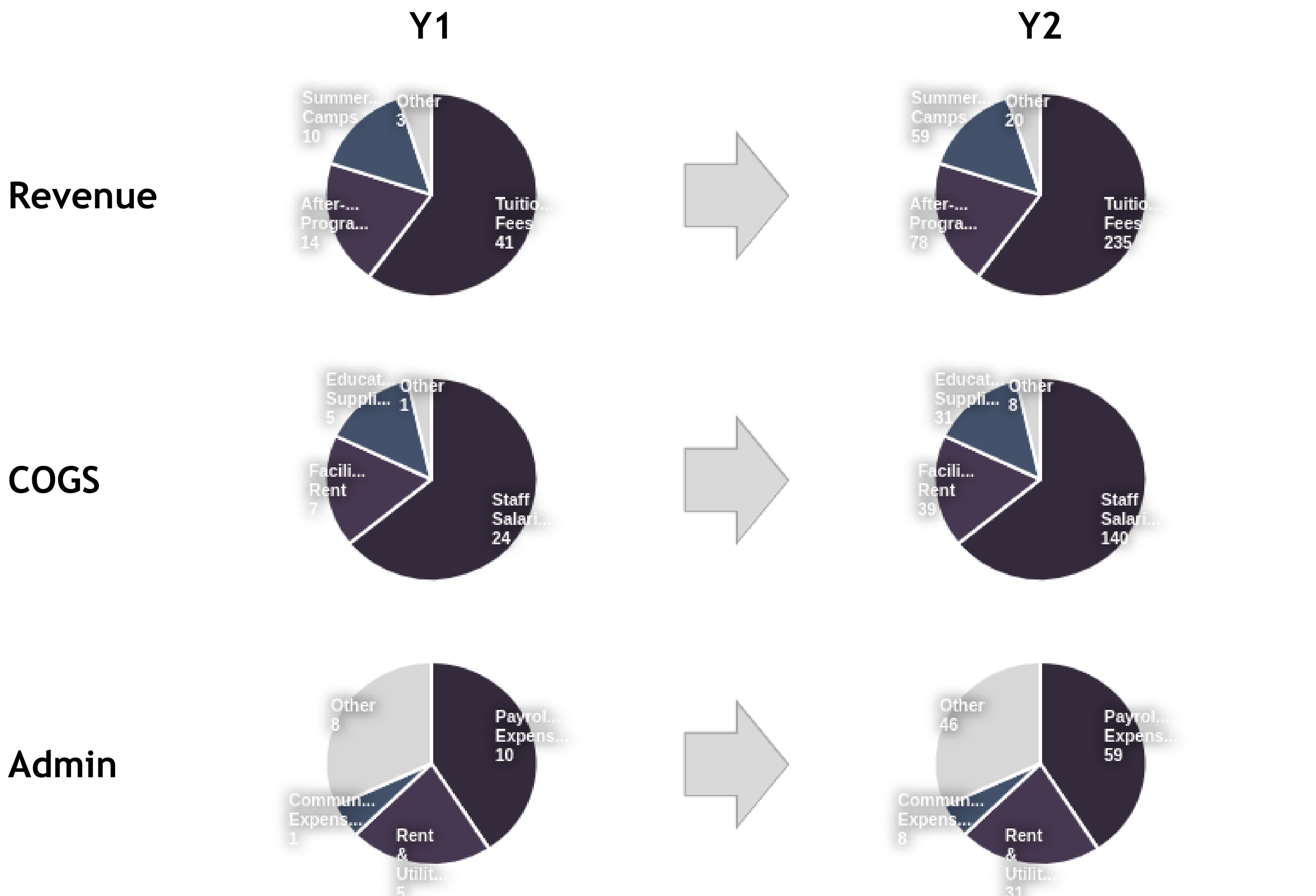
Financials Dashboard

Y3 PL formation and Margins





Business Line Breakdown (thnd USD)

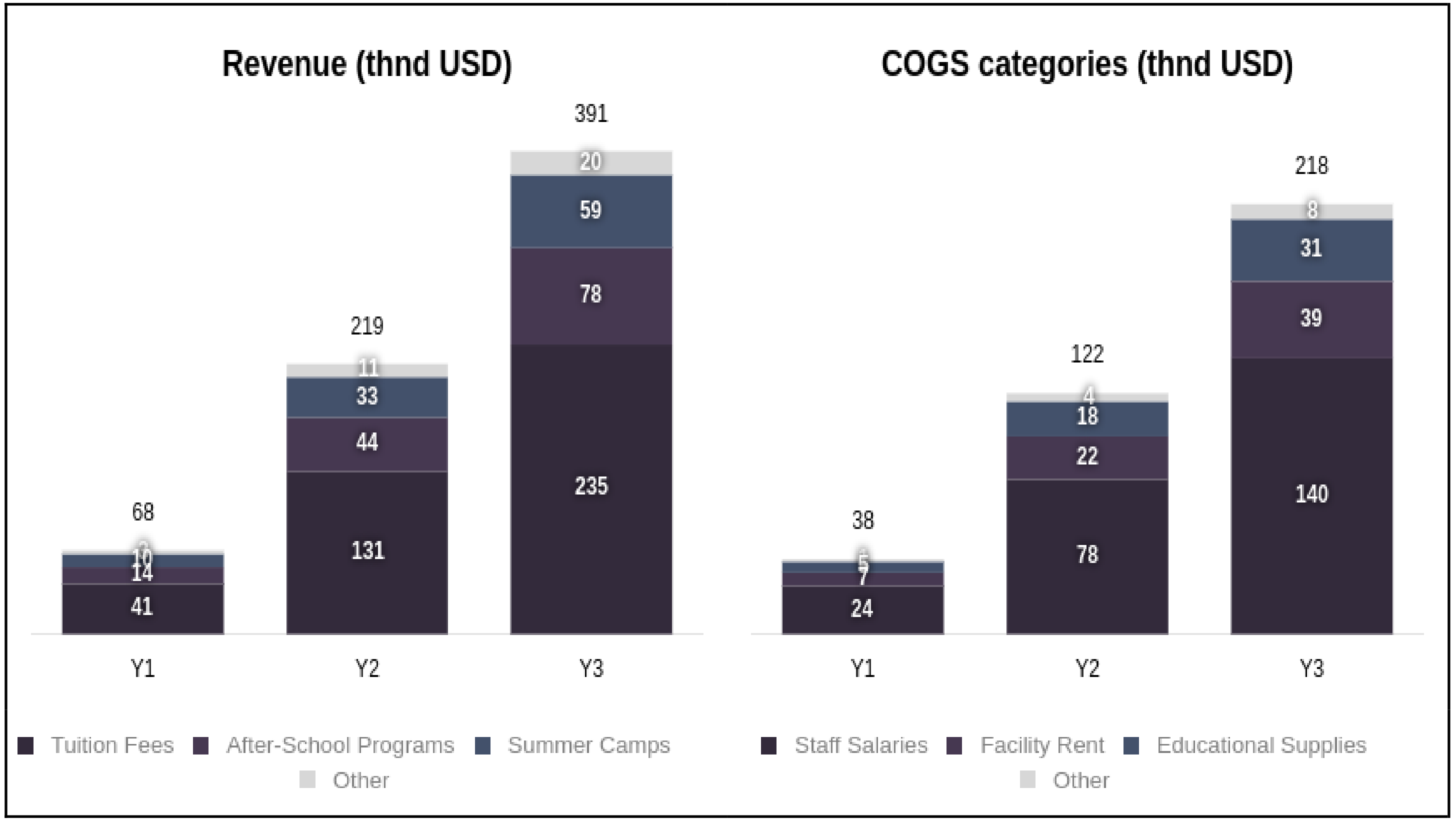


Revenue Formation Narrative

LittleStars Learning Center operates within the 4,538,827.536k USD USD Total Addressable Market (TAM) of Denmark's pre-primary and primary education sector. Our Total Addressable Market (TAM) provides a comprehensive picture of the potential revenue opportunity within our industry. We estimate that our Serviceable Addressable Market (SAM) is about 1.5% of the TAM. This estimation accounts for our innovative educational approach, qualified staff, and emphasis on quality, translating into a 68,082.413k USD USD opportunity. For the Serviceable Obtainable Market (SOM), we project capturing 0.10% in Year 1, translating to 68.082k USD USD in revenue, 0.30% in Year 2 with 218.953k USD USD, and 0.50% by Year 3, amounting to 391.196k USD USD. These projections reflect our ability to steadily grow our market share thanks to our focus on quality, individualized attention, and effective marketing strategies. Our revenue is broken down as follows: 60.00% from Tuition Fees, 20.00% from After-School Programs, 15.00% from Summer Camps, and 5% from Other services. This diversified revenue stream will support our sustained growth and allow us to reinvest in enhancing our educational programs and expanding our facilities.

$ 391k Y3 Projected Revenue

0.15% Market share



Revenue Calculation Details

Revenue Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Tuition Fees	*60.00%*	*60.00%*	*60.00%*	*60.00%*	*60.00%*	*60.00%*	*60.00%*	*60.00%*	*60.00%*	*60.00%*	*60.00%*	*60.00%*	*60.00%*	*60.00%*	*60.00%*
After-School Programs	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*	*20.00%*
Summer Camps	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*
Other	*5 %*	*5 %*	*5 %*	*5 %*	*5 %*	*5 %*	*5 %*	*5 %*	*5 %*	*5 %*	*5 %*	*5 %*	*5 %*	*5 %*	*5 %*

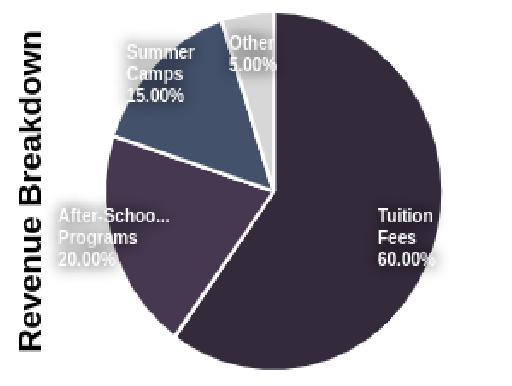
Tuition Fees	3	3	3	3	3	3	4	4	4	4	4	4	41	131	235
After-School Programs	1	1	1	1	1	1	1	1	1	1	1	1	14	44	78
Summer Camps	1	1	1	1	1	1	1	1	1	1	1	1	10	33	59
Other	0	0	0	0	0	0	0	0	0	0	0	0	3	11	20
Total Revenue (thnd USD)	4	4	4	5	5	5	6	6	6	7	7	7	68	219	391

Total revenue is expected to reach $ 391k by year 3.

Main revenue driver are:

- Tuition Fees which generates $ 235k by Year 3
- After-School Programs which generates $ 78k by Year 3

Expected CAGR for total Revenue in Y1-Y3 is 139.71 %

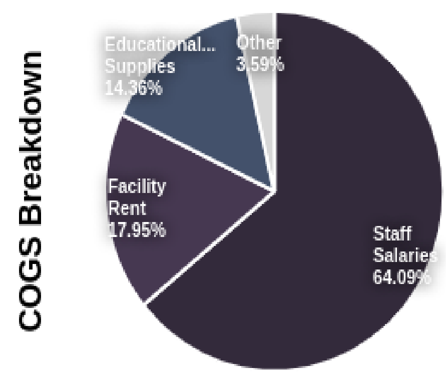


COGS Calculation Details

COGS Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Staff Salaries	*35.70%*	*35.70%*	*35.70%*	*35.70%*	*35.70%*	*35.70%*	*35.70%*	*35.70%*	*35.70%*	*35.70%*	*35.70%*	*35.70%*	*35.70%*	*35.70%*	*35.70%*
Facility Rent	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*	*10.00%*
Educational Supplies	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*
Other	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*
Staff Salaries	2	2	2	2	2	2	2	2	2	3	3	3	24	78	140
Facility Rent	0	0	0	1	1	1	1	1	1	1	1	1	7	22	39
Educational Supplies	0	0	0	0	0	0	0	0	0	1	1	1	5	18	31
Other	0	0	0	0	0	0	0	0	0	0	0	0	1	4	8
Total COGS (thnd USD)	**2**	**2**	**2**	**3**	**3**	**3**	**3**	**3**	**3**	**4**	**4**	**4**	**38**	**122**	**218**

Total COGS is expected to reach $ 218k by year 3.
Main revenue driver are:
- Staff Salaries which generates $ 140k by Year 3
- Facility Rent which generates $ 39k by Year 3

Expected CAGR for total COGS in Y1-Y3 is 139.71 %



SG&A Calculation Details

OPEX Formation	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Payroll Expenses	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*	*15.00%*
Rent & Utilities	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*	*8.00%*
Communication Expenses	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*	*2.00%*
Office supplies	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*	*1.50%*
Legal and Professional Fees	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*
Marketing and Branding	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*
Representation and Entertainment	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*	*1.00%*
Training and Development	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*	*3.00%*
Other Miscellaneous	*2.20%*	*2.20%*	*2.20%*	*2.20%*	*2.20%*	*2.20%*	*2.20%*	*2.20%*	*2.20%*	*2.20%*	*2.20%*	*2.20%*	*2.20%*	*2.20%*	*2.20%*

Payroll Expenses	1	1	1	1	1	1	1	1	1	1	1	1	10	33	59
Rent & Utilities	0	0	0	0	0	0	0	0	0	1	1	1	5	18	31
Communication Expenses	0	0	0	0	0	0	0	0	0	0	0	0	1	4	8
Office supplies	0	0	0	0	0	0	0	0	0	0	0	0	1	3	6
Legal and Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	1	2	4
Marketing and Branding	0	0	0	0	0	0	0	0	0	0	0	0	2	7	12
Representation and Entertainment	0	0	0	0	0	0	0	0	0	0	0	0	1	2	4
Training and Development	0	0	0	0	0	0	0	0	0	0	0	0	2	7	12
Other Miscellaneous	0	0	0	0	0	0	0	0	0	0	0	0	1	5	9
Total SG&A (thnd USD)	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**2**	**3**	**3**	**3**	**25**	**80**	**144**

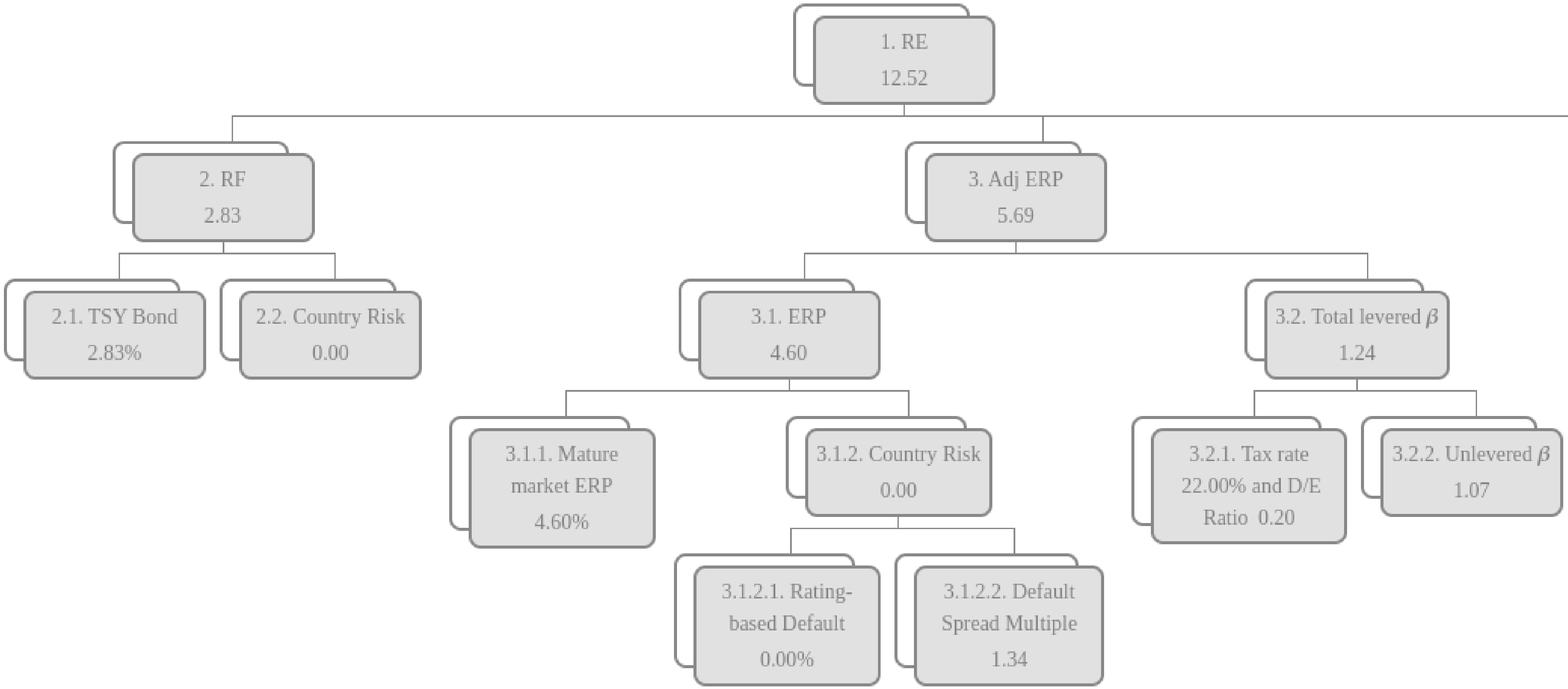
PaT Expectations

Income Statement (thnd USD)	M1	M2	M3	M4	M5	M6	M7	M8	M9	M10	M11	M12	Y1	Y2	Y3
Revenue	4	4	4	5	5	5	6	6	6	7	7	7	68	219	391
Tuition Fees	3	3	3	3	3	3	4	4	4	4	4	4	41	131	235
After-School Programs	1	1	1	1	1	1	1	1	1	1	1	1	14	44	78
Summer Camps	1	1	1	1	1	1	1	1	1	1	1	1	10	33	59
Other	0	0	0	0	0	0	0	0	0	0	0	0	3	11	20
COGS	-2	-2	-2	-3	-3	-3	-3	-3	-3	-4	-4	-4	-38	-122	-218
Staff Salaries	-2	-2	-2	-2	-2	-2	-2	-2	-2	-3	-3	-3	-24	-78	-140
Facility Rent	-0	-0	-0	-1	-1	-1	-1	-1	-1	-1	-1	-1	-7	-22	-39
Educational Supplies	-0	-0	-0	-0	-0	-0	-0	-0	-0	-1	-1	-1	-5	-18	-31
Other	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-0	-1	-4	-8
Gross Profit	2	2	2	2	2	2	3	3	3	3	3	3	30	97	173
SG&A Personal Expenses	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-1	-10	-33	-59
SG&A Operating Expenses	-1	-1	-1	-1	-1	-1	-1	-1	-1	-2	-2	-2	-15	-48	-85
EBITDA	0	0	0	0	0	0	0	0	0	1	1	1	5	17	30
Depreciation	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-3	-30	-30	-30
EBIT	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-25	-14	-0
Interest Expense	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit before Tax	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-25	-14	-0
Tax	0	0	0	0	0	0	0	0	0	0	0	0	6	3	0
Profit after Tax (thnd USD)	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-2	-20	-11	-0

Sources: Company's Prop Planning

Cost of Capital Estimation

Required Return on Equity Derivation



Cost of Capital: CAPM Inputs

Methodology

Weighted Average Cost of Capital is calculated using Capital Asset Pricing Model (CAPM). Since the company is purely equity funded the WACC is equal to its Required Return on Equity R(E). The main research inputs used in calculations are based on studies published by professor at Stern School of Business Aswath Damodaran. Return on Equity R(E) is R(E)=R(F)+β ∗ (ERP), where: R(F) is Risk Free Rate. The basis for calculation of R(F) is the average of the yield of USD 30 Year TSY Bond. The horizon. ERP is Mature Market Equity Risk Premium. It incorporates market estimates for Rating-Based Default Spread and Default Spread Multiple (β) is average equity betas of correspondingindustries. Despite the company has no debt, the unlevered beta was levered with industry average figures to reflect the long-term D/E ration in the capital structure. Additionally, Illiquidity Risk Premiumof 4% is added to the estimated Return on Equity to reflect risk associated with firm being Privately Held vs Publicly Traded Companies.

Additional Assumptions

To calculate the companies Firm Value, its future Free Cash Flow to Equity (FCFE) is discounted using estimated Required Return on Equity.

The 3rd-year projected cash flow is used as a representation of the long-term Free Cash Flow to the Equity (FCFE). This approach may understate the valuation because cash flows are expected to grow more aggressively in the first 10 years, and the growth from years 4 to 10 is not reflected in this calculation. Long-term growth rate of 5% is applied.

After discounting the cashflows and measuring the Firm Value it is adjusted to historical estimate of Start-up firm's survival rate. The allows to incorporate risk of start-ups fails.

Survival of new establishments founded in 1998

	Proportion of firms that were started in 1998 that survived through						
	Year 1	*Year 2*	*Year 3*	*Year 4*	*Year 5*	*Year 6*	*Year 7*
Natural resources	82.33%	69.54%	59.41%	49.56%	43.43%	39.96%	36.68%
Construction	80.69%	65.73%	53.56%	42.59%	36.96%	33.36%	29.96%
Manufacturing	84.19%	68.67%	56.98%	47.41%	40.88%	37.03%	33.91%
Transportation	82.58%	66.82%	54.70%	44.68%	38.21%	34.12%	31.02%
Information	80.75%	62.85%	49.49%	37.70%	31.24%	28.29%	24.78%
Financial activities	84.09%	69.57%	58.56%	49.24%	43.93%	40.34%	36.90%
Business services	82.32%	66.82%	55.13%	44.28%	38.11%	34.46%	31.08%
Health services	85.59%	72.83%	63.73%	55.37%	50.09%	46.47%	43.71%
Leisure	81.15%	64.99%	53.61%	43.76%	38.11%	34.54%	31.40%
Other services	80.72%	64.81%	53.32%	43.88%	37.05%	32.33%	28.77%
All firms	81.24%	65.77%	54.29%	44.36%	38.29%	34.44%	31.18%

http://pages.stern.nyu.edu/~adamodar/New_Home_Page/datafile/ctryprem.html

https://pages.stern.nyu.edu/~adamodar/pdfiles/papers/younggrowth.pdf

http://pages.stern.nyu.edu/~adamodar/

Business Valuation

DCF	(thnd USD)	Y1	Y2	Y3	Y4	Y5	Y6	Y7
	Profit after Tax	-20	-11	-0	-0	-0	-0	-0
	Growth% Y4-Y7				7.20%	7.20%	7.20%	7.20%
	Growth% Y7 -->	3.50%						
	WACC	12.52%						
	PV Y1-Y7 at Y0	-17	-8	-0	-0	-0	-0	-0
	PV Y7 --> Y0	-3						
	NPV (thnd USD)	-29						

Average Survival Rate for 3 Years | 50%

Final Valuation	-$ 15k

The valuation is conducted using the Discounted Cash Flow (DCF) method. In this method, the projected cash flows for a period of 7 years, along with a terminal value, are discounted at a rate of 12.52 % to determine the Firm Value.

Starting from year 3 onwards, the cash flows are estimated to grow at a rate of 7.20 %, which is consistent with the market Compound Annual Growth Rate (CAGR) trend. Beyond year 7, the cash flows are assumed to grow at a long-term growth rate of 3.50 %.

To account for the inherent risks associated with a start-up venture, the Firm Value is adjusted using the historical survival rate of newly established firms. As indicated by the study conducted by Aswath Damodaran, there was approximately 50% probability of survival for Information sector companies. This adjustment allows to incorporate the risk profile of the business and provide a more comprehensive assessment of its value.

It is important to note that if the company can successfully navigate through its initial three years of operation, it is expected to have a significantly higher likelihood of becoming a going concern. This underscores the importance of demonstrating resilience and establishing a solid foundation during the critical early stages of the business.

Glossary

Financial and Technical

b $ - Billions of $
B2B - Business to Business
B2C - Business to Customer
CAPEX - Capital Expenditure
CAPM - Capital Asset Pricing Model
COGS - Cost of oods sold
DCF - Discounted cash flow
Depr. - Depreciation
EBIT - Earnings before interest and taxes
EBITDA - Earnings before nterest, axes, depreciation, and amortization
EBT - Earnings Before Tax
ERP - Equity Risk Premium
ETA - Estimated Time of Arrival
EV - nterprise Value
FA (Tangible and Intangible) - Fixed assets (tangible and intangible)
FX - Foreign Exchange
FY - Fiscal year
GP - ross profit
k $ - Thousands of $
LLM - Large Language Model
LFY - Last fiscal year
m $ - Millions of $
MTD - Month-to-date
MVP - inimum Viable Product
NFT - Non-Fungible Token
NPV - Net present value
OPEX - Operating Expense
P&L - A profit and loss (P&L) tatement
PaT - Profit after Tax
POC - Proof of Concept
PPE - Property, plant, and equipment
SG&A - Sales, General and Administrative
TSY bond rate - Treasury bond rate
WACC - Weighted average cost of capital
YTD - Year-to-date

Organisational Structure

CBDO - Chief Business Development Officer
CEO - Chief Executive Officer
CPO - Chief Product Officer
CFO - Chief Financial Officer
CTO Chief Technology Officer
C-level - Chief level
Eng - Engineer
Dev - Developer
HR - Human Resources

Other

Av - Average
EoP - End of Period
LE - Legal Entity
PE - Private Equity
TOM - Target Operating Model

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Please note that the valuation results presented here are based on the Discounted Cash Flow (DCF) method and various assumptions, including projected cash flows, growth rates, discount rates, and survival rates. These assumptions are subject to change and may not accurately reflect future market conditions or the performance of the business.

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