

**EduTech Company**  
**VENTURE CAPITAL ANALYSIS**

BASE CASE

**TRANSACTION SOURCES & USES**

Sources	Funded	% Cap	Interest	Uses	Amount	% Total	First Year Cash Needs (Before Tax Benefits)
Trade Payable & Bank Loan	-	0.0%	0.0%	Cash	443,240	73.9%	(394,294) (EBT - WC - Capex)
Mezzanine Loan	-	0.0%	0.0%	Equipment & Software (Wacom Cintiq Pro 24)	11,760	2.0%	
Total Debt	-	0.0%		WebDesign Expense	50,000	8.3%	
Cash Equity	600,000	100.0%		Marketing Expenses (upfront)	75,000	12.5%	(Note: Additional \$150K in 2020 - check line 338)
				Other Fees & Expenses	20,000	3.3%	
<b>Total Sources</b>	<b>600,000</b>	<b>100.0%</b>		<b>Total Uses</b>	<b>600,000</b>	<b>100.0%</b>	156,760

**SUMMARY**

**B2B REVENUES**

**Private Practice**

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8
Total Institutions		5	25	100	150	250	400	600	800
Average Subscribers (Children) per Institution		25	25	25	25	25	25	25	25
One-time Set-up Fee		\$ 350.00	\$ 350.00	\$ 360.50	\$ 371.32	\$ 382.45	\$ 393.93	\$ 405.75	\$ 823.66
Subscription Fee per Subscriber per Month		\$ 10.00	\$ 10.00	\$ 10.30	\$ 10.61	\$ 10.93	\$ 11.26	\$ 11.59	\$ 11.94
<b>Total Revenues from Private Practice</b>		<b>7,750</b>	<b>44,500</b>	<b>212,438</b>	<b>352,749</b>	<b>693,882</b>	<b>1,139,578</b>	<b>1,750,504</b>	<b>2,457,313</b>

**Large Institutions**

Total Institutions		2	10	35	85	135	185	235	285
Average Subscribers (Children) per Institution		150	150	150	150	150	150	150	150
One-time Set-up Fee		\$ 1,200.00	\$ 1,236.00	\$ 1,273.08	\$ 1,311.27	\$ 1,350.61	\$ 1,391.13	\$ 1,432.86	\$ 2,908.71
Subscription Fee per Subscriber per Month		\$ 15.00	\$ 15.00	\$ 15.45	\$ 15.91	\$ 16.39	\$ 16.88	\$ 17.39	\$ 17.91
<b>Total Revenues from Large Institutions</b>		<b>24,000</b>	<b>144,888</b>	<b>615,837</b>	<b>1,769,899</b>	<b>3,253,922</b>	<b>4,567,090</b>	<b>5,956,118</b>	<b>7,496,022</b>

**B2B Revenue**

	<b>31,750</b>	<b>189,388</b>	<b>828,275</b>	<b>2,122,649</b>	<b>3,947,804</b>	<b>5,706,667</b>	<b>7,706,622</b>	<b>9,953,335</b>
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**B2C REVENUES**

Number of Subscriptions - Retail - Volume		14,000	20,000	26,000	40,000	50,000	60,000	70,000	80,000
Retail Electronic Downloads - Volume		18,000	24,000	32,000	50,000	65,000	80,000	95,000	110,000
Printable Books - Volume		-	-	-	-	-	-	-	-
Average Subscription Fee per Subscriber per Month (3 packages)		\$ 16.69	\$ 16.69	\$ 17.19	\$ 17.71	\$ 18.24	\$ 18.78	\$ 19.35	\$ 19.93
Average \$ Per Download (3 packages)		\$ 4.99	\$ 4.99	\$ 5.14	\$ 5.29	\$ 5.45	\$ 5.62	\$ 5.78	\$ 5.96
Average \$ Per Print (3 packages)		\$ 14.99	\$ 14.99	\$ 15.44	\$ 15.90	\$ 16.38	\$ 16.87	\$ 17.38	\$ 17.90
<b>B2C Revenue</b>		<b>186,251</b>	<b>1,295,160</b>	<b>2,255,432</b>	<b>3,988,420</b>	<b>5,675,586</b>	<b>7,681,953</b>	<b>9,238,860</b>	<b>10,882,268</b>

**Total Revenue**

	<b>218,001</b>	<b>1,484,548</b>	<b>3,083,707</b>	<b>6,111,068</b>	<b>9,623,390</b>	<b>13,388,621</b>	<b>16,945,482</b>	<b>20,835,603</b>
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	(32,700)	(222,682)	(462,556)	(916,660)	(1,443,508)	(2,008,293)	(2,541,822)	(3,125,340)
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**NET REVENUE**

	<b>185,301</b>	<b>1,261,866</b>	<b>2,621,151</b>	<b>5,194,408</b>	<b>8,179,881</b>	<b>11,380,328</b>	<b>14,403,660</b>	<b>17,710,262</b>
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**EBITDA**

	<b>(367,987)</b>	<b>404,749</b>	<b>1,256,703</b>	<b>2,739,000</b>	<b>5,036,194</b>	<b>7,355,852</b>	<b>9,765,716</b>	<b>12,491,471</b>
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**EBITDA Margin**

	<b>-198.6%</b>	<b>32.1%</b>	<b>47.9%</b>	<b>52.7%</b>	<b>61.6%</b>	<b>64.6%</b>	<b>67.8%</b>	<b>70.5%</b>
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Cash Balance

	443,240	188,982	335,550	978,097	2,420,402	5,241,801	9,468,712	15,194,406	22,577,878
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Source / (Use) of Cash

		(254,258)	146,568	642,547	1,442,305	2,821,399	4,226,911	5,725,694	7,383,471
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Equity Outstanding

	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000
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**Equity Contribution**

	<b>+600,000</b>	<b>+00</b>	<b>+00</b>	<b>+00</b>	<b>+00</b>	<b>+00</b>	<b>+00</b>	<b>+00</b>	<b>+00</b>
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