

Class A Tutoring



12-36 Month Plan

Since our launch, at end of Jan 18', we've had great success as users have been actively requesting sessions through our platform on a daily basis. Our application is extremely easy to use and was engineered to be compatible with even the least technologically savvy users. During our beta test, we've confidently proven that users love connecting through our app, as each user will make at least 3 transactions per month and we have a 100% retention rate. Although we have completed some of our most important milestones, the largest hurdle we are currently facing is that we do not have the marketing budget to expand our services to a larger user base.

Our vision for the next 12-36 months is to find a partner that can offer us guidance and funding, so that we can take our deeply engineered digital/physical marketing efforts to a national audience. (will provide details on plan specifics upon request). Please see the detailed plan below:

- Our goal is to raise approximately \$800-\$1M. As previously mentioned, a very important component of this deal would be the type of resources this partner would be able to offer. In a perfect world, this partner would be able to support us with a marketing team, development team (or connections with a development company that can offer tech support on our app and website), and be familiar with EdTech business plans and exits. We would use 80% of the capital (considering a \$900,000 raise) on our marketing efforts and acquire approximately 210,000 new active student users (110,000 paid users and 100,000 organic) and 24,000 new active teacher users (14,000 paid users and 10,000 organic). These estimations also assume that we would cut our current cost per acquisition for students and teachers in half, to \$5.70 and \$5.00 respectively. Being that we will be targeting a much larger audience, we should be able to easily decrease our acquisition costs significantly.
- The remaining 20% of raised capital (\$180,000) will go towards hiring two employees at \$50,000/year (\$100,000) and renting office space for \$2,500/month (\$30,000 annually). The remaining \$50,000 will be used for product development, administrative costs, legal fees (as needed), creative user acquisition strategies, and operational costs.
- With over 210,000 daily active users, approximately 10% of those users (21,000) will be requesting tutoring sessions on a daily basis and will request approximately 3 sessions per month (according to our stickiness data). This means that there will be about 63,000 connections per month and 630,000 per year. Even if we charge our lowest connection fee (\$25 per 50 min session) annual revenue will be at approximately \$15,750,000. Connection fee schedule below for more information.
- All factors considered, with sales of approximately \$15,750,000 and an average sales multiple of 3.3x within the EdTech sector in 2017, the company would be valued at approximately 51,975,000.
- Please note that there are over 1,369,710 students in New Jersey alone. We believe that we are being extremely conservative with our calculated averages considering we would like to take our company to a national level, where adding more states will grow our student base exponentially.

Class A Tutoring Current Fee Schedule:

Single Session (50min): \$25

Double Session (1h40min): \$40

Triple Session (2h30min): \$50

The Numbers:

210,000 student users

21,000 active student users requesting sessions

$21,000 \times 3 = 63,000$ connections per month

$63,000 \times 10 = 630,000$ connections per year

$\$25 \text{ connection fee} \times 630,000 \text{ connections} = \$15,750,000$ projected annual revenue