

# LI2EI, LLC



You've got to

**LEARN IT 2 EARN IT**

*Application Overview*

# FORWARD - LOOKING STATEMENTS

This presentation includes forward-looking statements. We have based these statements largely on our current expectations and projections about future events and financial trends affecting the financial condition of our business. These statements should not be read as a guarantee of future performance or results, and will not necessarily be accurate indications of the times at which or by which such performance or results will be achieved. These statements are based on information available at the time those statements are made and/or management's good faith belief as of that time with respect to future events, and are subject to risks and uncertainties that could cause actual performance or results to differ materially from those expressed in or suggested by the forward-looking statements. Important factors that could cause such differences include, but are not limited to, those discussed in our annual financial statements, our quarterly reports (if prepared) and other financial reports and/or updates provided by management to investors. LI2EI is providing this information as of the date of this presentation and does not undertake any obligation to update any forward-looking statements contained in this presentation as a result of new information, future events or otherwise.

# MANAGEMENT TEAM

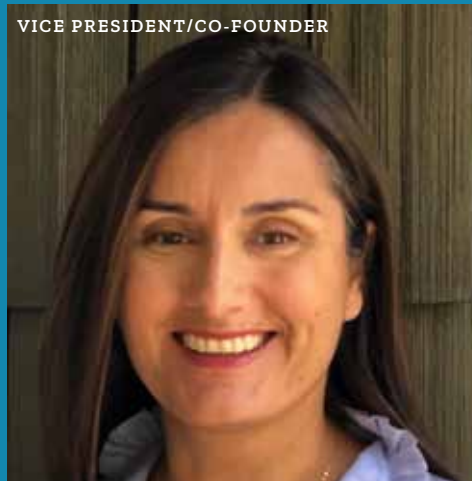
**Victor Smith**

CEO/CO-FOUNDER



**Marisela Lopez-Smith**

VICE PRESIDENT/CO-FOUNDER



**Stephen Smith**

CFO



**Robert Phan**

GENERAL COUNSEL



**Daisy Pulido**

SVP PRODUCT/DESIGN



**Jonathen Wong**

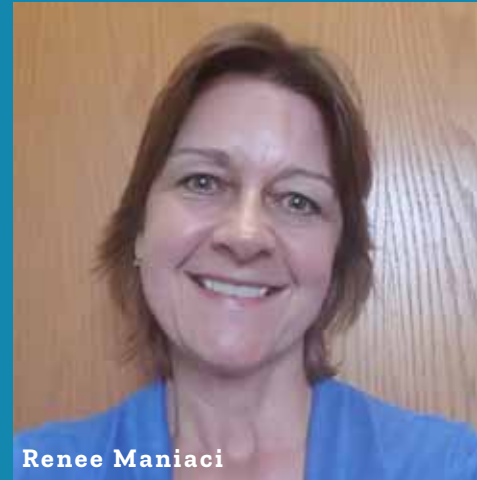
CTO

# ACADEMIA / CURRICULUM BOARD



**Dr. Maribel Garcia**

SUPERINTENDENT OF SCHOOLS  
EL MONTE, CA



**Renee Maniaci**

SPECIAL EDUCATION  
OKEMOS PUBLIC SCHOOL SYSTEM  
OKEMO, MI



**Dan Riney**

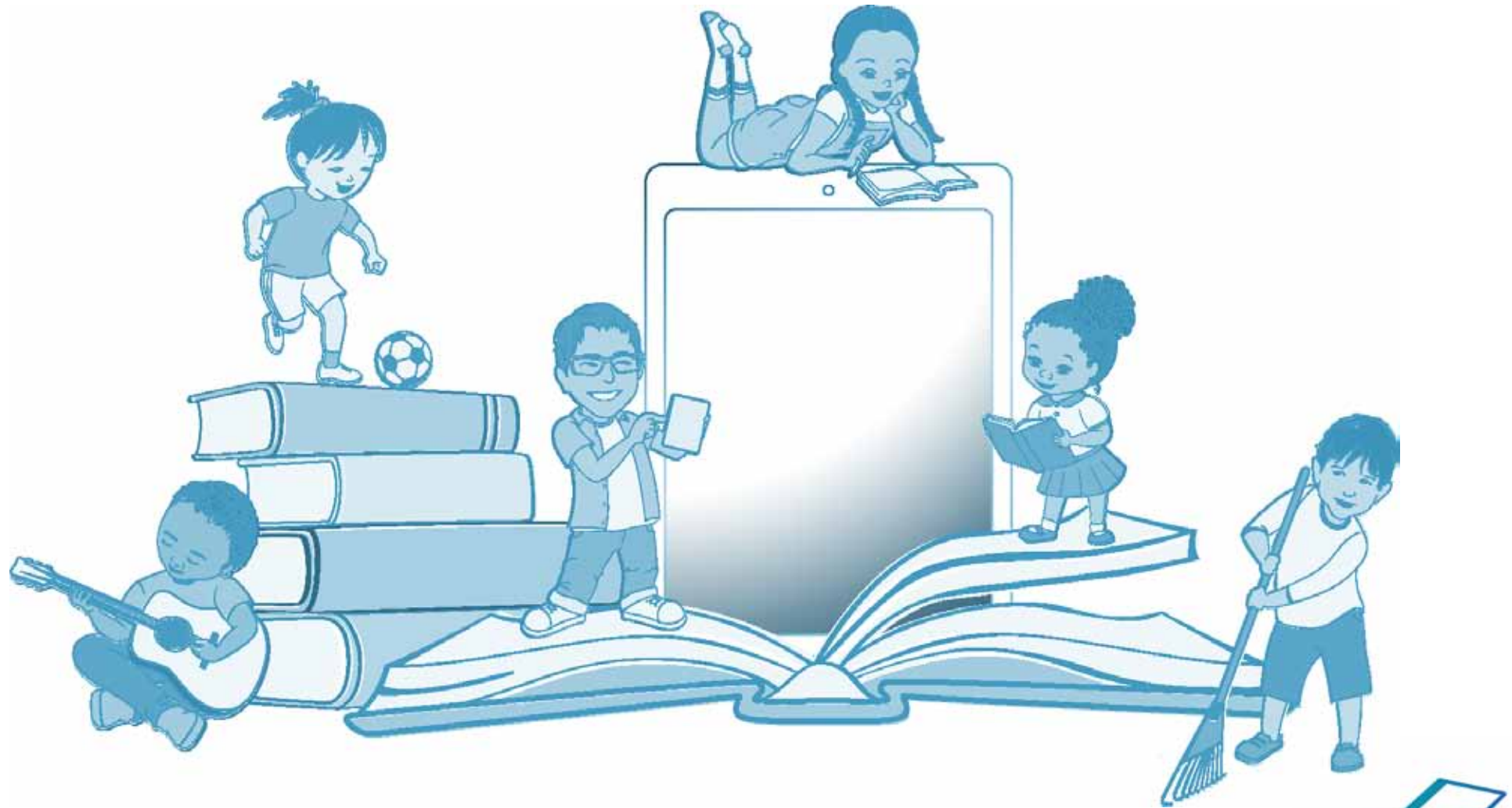
FREELANCE EDITOR/WRITER ELD  
HOMWOOD, IL








**Christine Skoutelas**

SPECIAL ED TEACHER  
OKEMOS HIGH SCHOOL  
OKEMO, MI

# COMPANY OVERVIEW AND STRATEGY


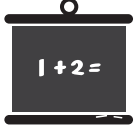





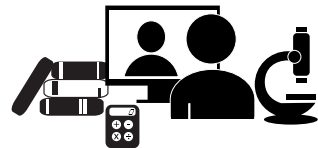



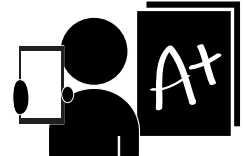


# OUR CHALLENGE: USING SCREEN TIME TO MOTIVATE AND DRIVE LEARNING

	LEARNING LOCATIONS	RESOURCES	MOTIVATION
<b>150 YEARS AGO</b>			
<b>30 YEARS AGO</b>			
<b>TODAY</b>			

- LI2EI was founded on the idea of leveraging the technology that has proliferated our homes and schools to improve learning and student potential.
- Technology has enabled information to be available at our fingertips. Our goal is to leverage the appetite for gaming and entertainment available through this technology and turn it into an avenue for learning and development.
- In the Detroit public school system, 4% of the 4th graders are proficient in math and 5% are proficient in reading. By the 8th grade, only 5% of the students are proficient in math and 7% are proficient in reading. Our goal is to utilize LI2EI technology to vastly improve this.

# HOW WE SOLVE THE PROBLEM

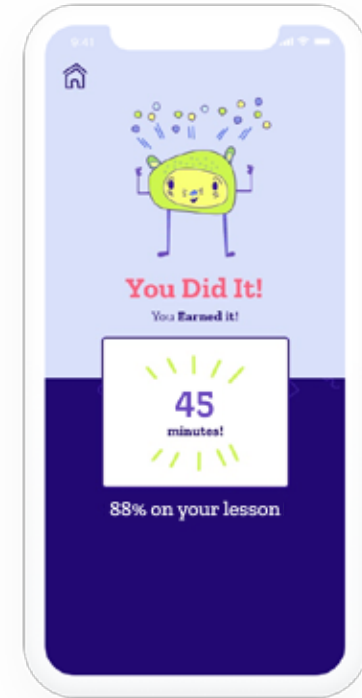
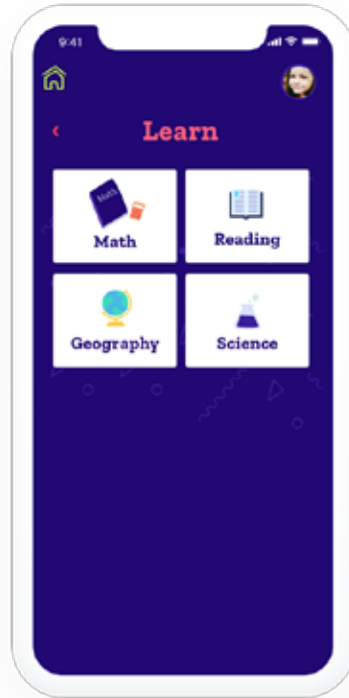
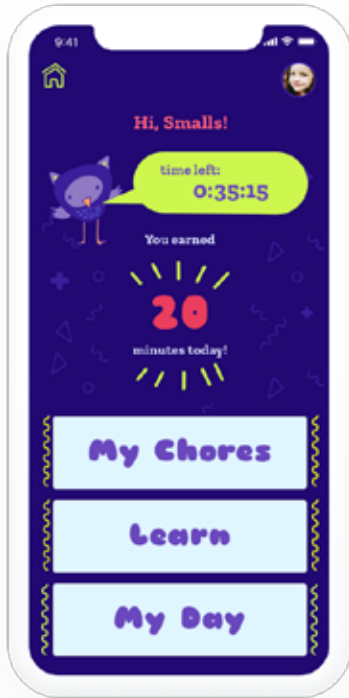
	LEARNING LOCATIONS	RESOURCES	MOTIVATION
<b>150 YEARS AGO</b>			
<b>30 YEARS AGO</b>			
<b>TODAY</b>			
<b>LI2EI</b>			

- LI2EI's vision was realized with provisional patent application # US 62/657608. Our disruptive and transformational educational platform leverages students' desire for screen time to drive learning.
- The platform takes the students' desire for screen time and transforms it into the motivating educational force of their lives.
- All past and current innovations approach the problem by designing more interactive learning programs. But the same problem exists: **HOW** do you get students to use these programs.



# LI2EI

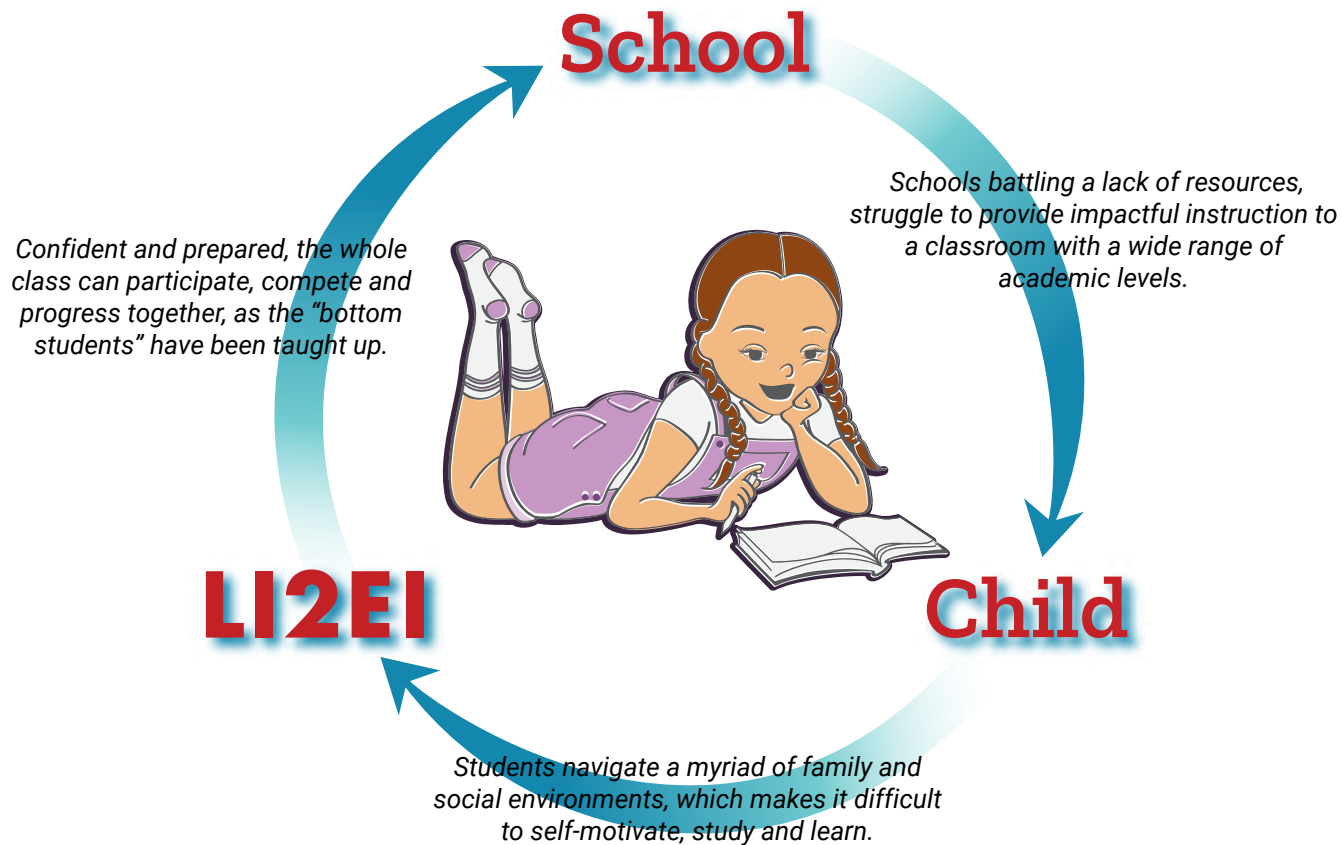
## FACILITATES STUDENTS' DESIRE TO LEARN



- The child will receive push notifications alerting them to their current available time remaining at intervals of 60/30/5/1 minutes. If they run out of time it will take them to LI2EI, or they can choose to go there without being interrupted or cutoff.
- Once at LI2EI they will select an educational module of their choosing.
- They will be rewarded with increasing amounts of time on scores of over 80%, with additional attempts allowed to score higher or qualify for time.



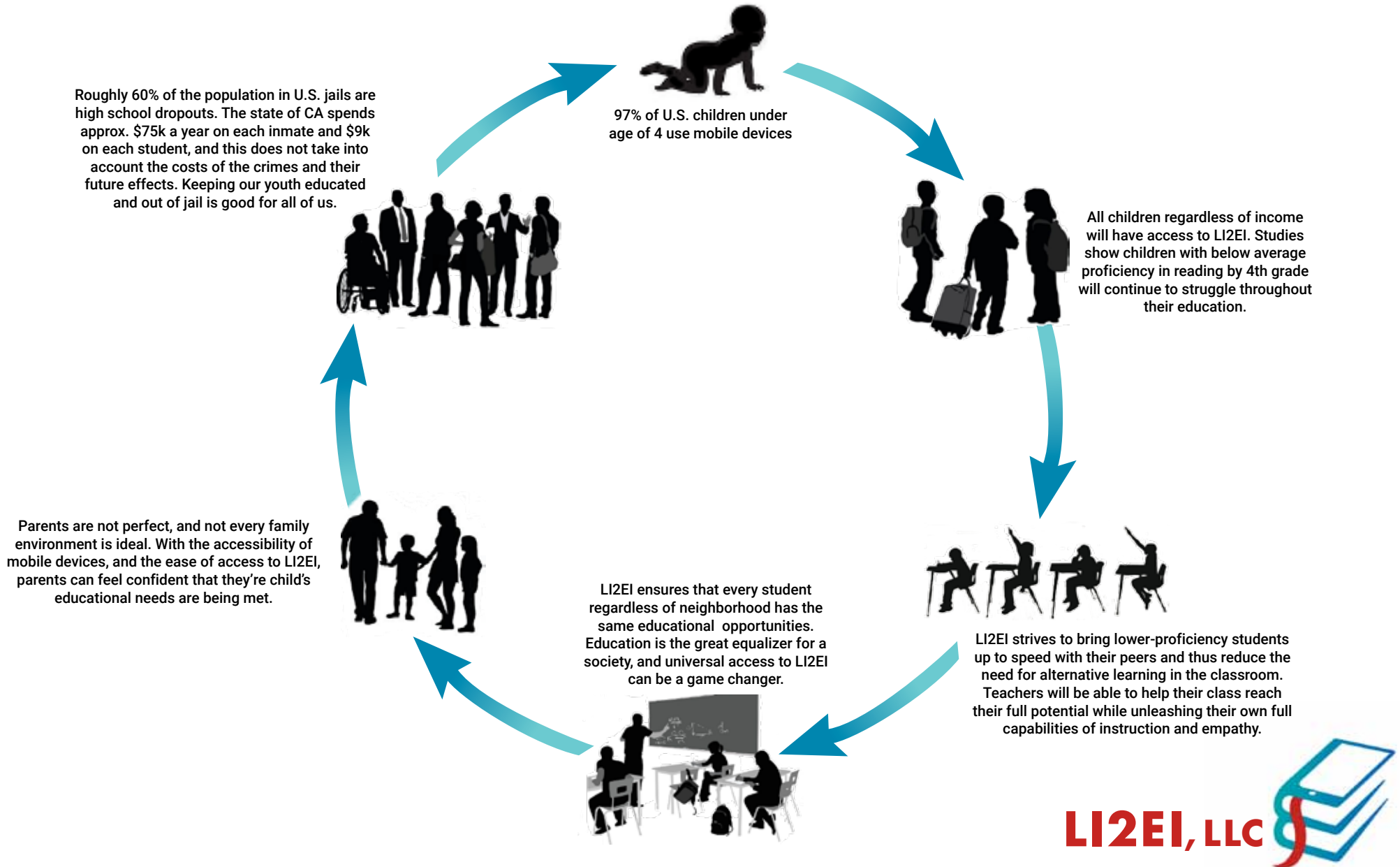
# OUR STRATEGY



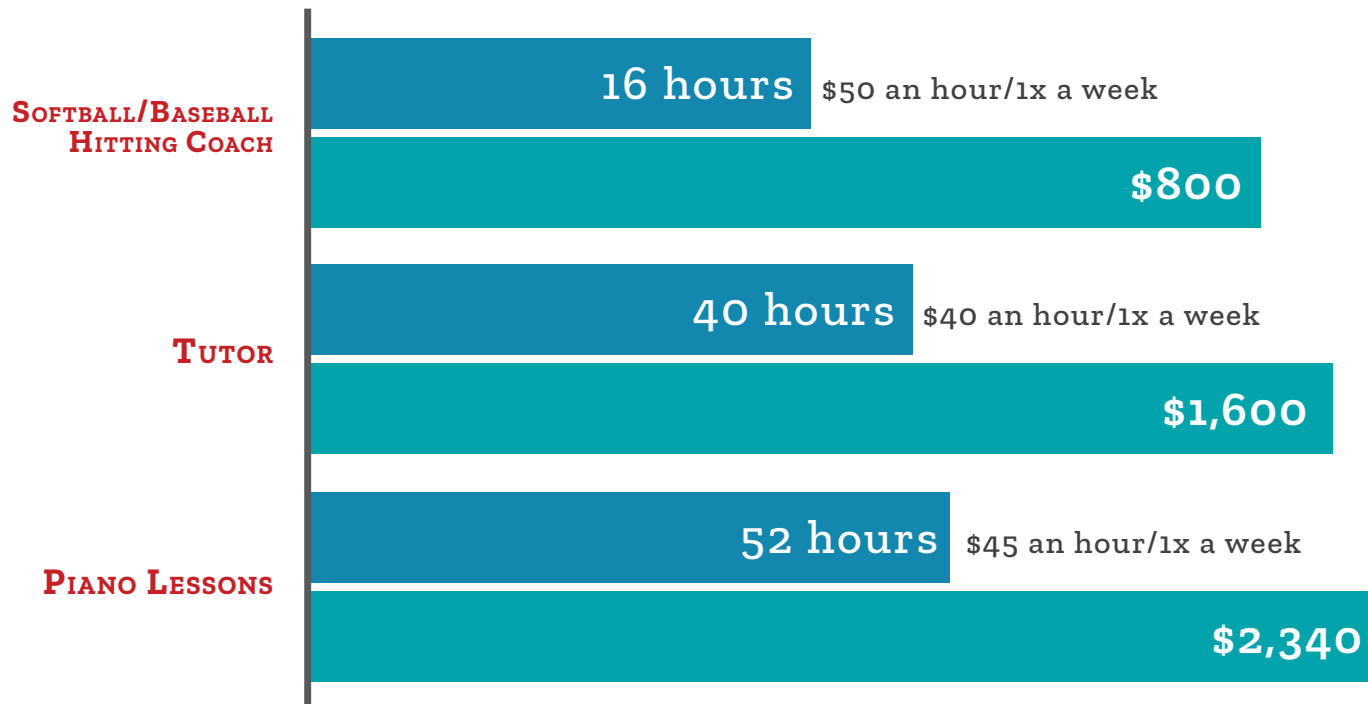
Our strategy is simple: combine the expansive reach of screen technology together with the addiction and desire it creates, to drive the student to complete educational activities to earn more screen time. Our goal is to erase the educational inequities commonly associated with lower income school systems and less than ideal or disruptive family environments.

# BENEFITS FOR

## CHILDREN, CLASSROOMS, SCHOOLS, PARENTS AND SOCIETY

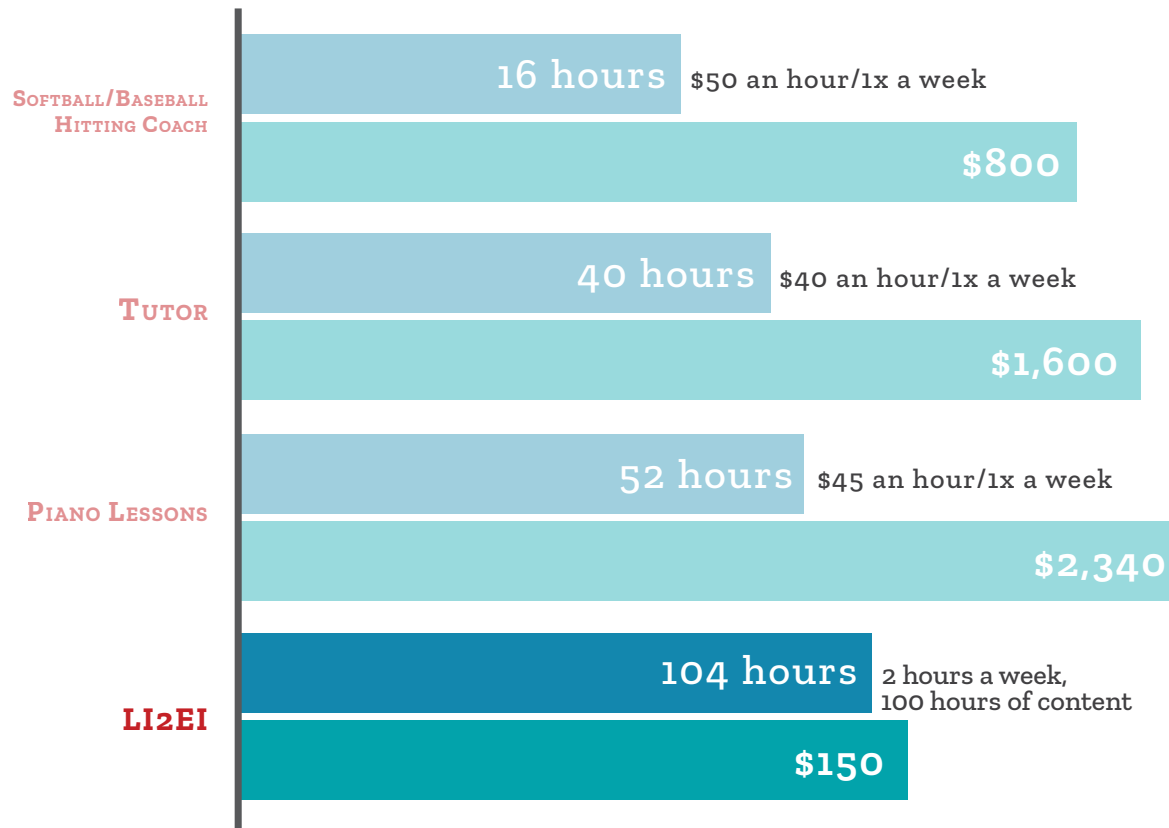


# BENEFITS AND VALUE



- A large segment of the population pay for tutors and coaches to help their children catch up or excel at various activities. This has varying impacts on the academic future of those children.

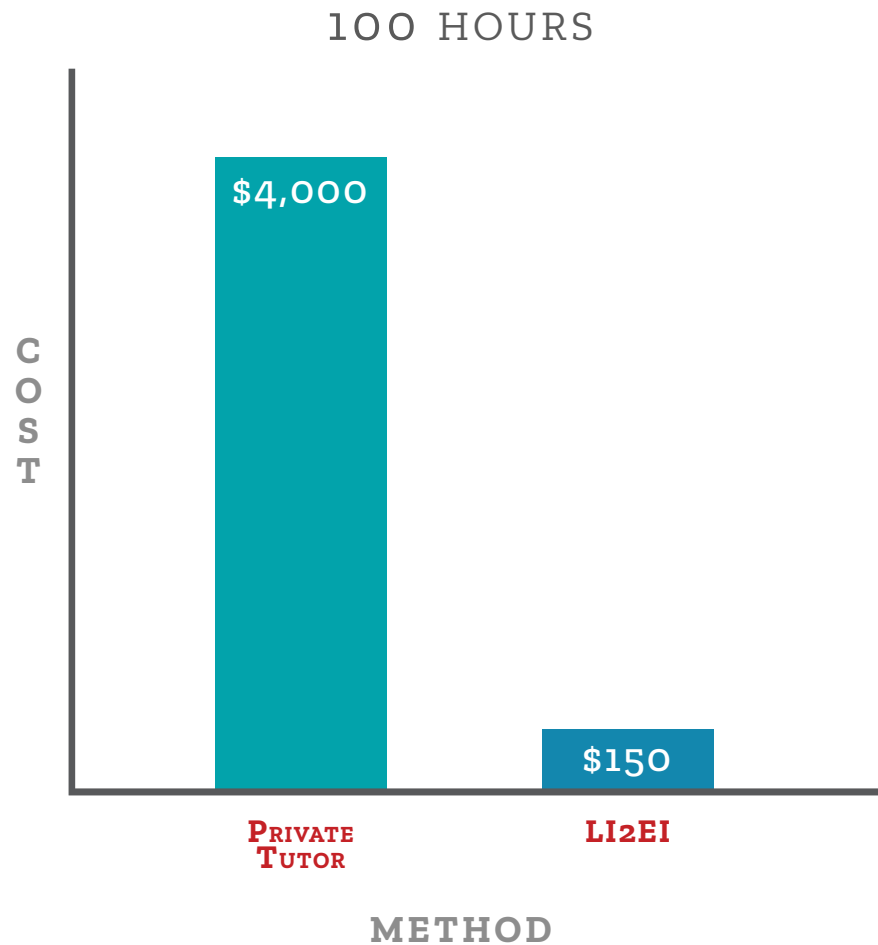
# LI2EI GIVES PARENTS PERMISSION TO TAKE A BREAK FROM PARENTING



- Delivers additional instruction at a fraction of the cost that a private tutor, coach or instructor.
- Parents will find comfort in knowing that for every 5-6 hours of screen time, their children had to successfully complete a minimum of 1-2 hours of intellectually stimulating modules...OR MORE!
- Parents will receive an end of day notification letting them know how much time the child spent on their device, where they spent that time, how much time was spent with LI2EI, as well as their scores and progress.

# LI2EI:

## ANOTHER WAY TO LOOK AT IT



- A private tutor is not an option for the majority of families. LI2EI is a viable alternative which we believe will provide stronger results long term, at a fraction of the cost for private tutors.
- Unlike the tutor, content of LI2EI is accessible and reusable for the entire year.

# MODULE STORE

- THE APP STORE, BUT BETTER.

- The platform will come with several hours of material specific for each child's grade level.
- LI2EI will have thousands of hours of additional modules for sale, covering all grades and subject areas.
- Individuals and businesses can sell modules on our platform, covering any topic of interest.



# DON'T TAKE OUR WORD FOR IT

**"Victor, I have goosebumps....I'm looking forward to the possibilities with this product."**

- DR. MARIBEL GARCIA,  
SUPERINTENDENT OF SCHOOLS  
EL MONTE, CA

**"LI2EI**

**is building confidence and competency through a structured and autonomous reward-based program, I love it!"**

-CHRISTINE SKOUTELAS  
RESOURCE ROOM TEACHER/LINKS PEER-TO-PEER COORDINATOR  
OKEMOS HIGH SCHOOL, OKEMOS, MI

**"What I love most is I feel like I have another parent helping monitor and motivate my child when I cannot. Earning screen time makes so much sense, it will become the new normal."**

-CINDY O'REILLY  
MOTHER OF BOY AGE 7, AND GIRL AGE 11  
MONROVIA, CA

**"I would implement your program this coming semester if you think you will have it ready."**

- KATHLEEN CONOVER  
PRINCIPAL – TORREY HILL INTERMEDIATE SCHOOL  
FENTON, MI

**"I just spent \$375 for 5 – 1 hour baseball lessons last month, spending \$250 for 100+ hours of additional intensive classwork is a no brainer."**

- CHRIS BRAGG  
FATHER OF TWO SONS AGES 7 & 9  
SIERRA MADRE, CA

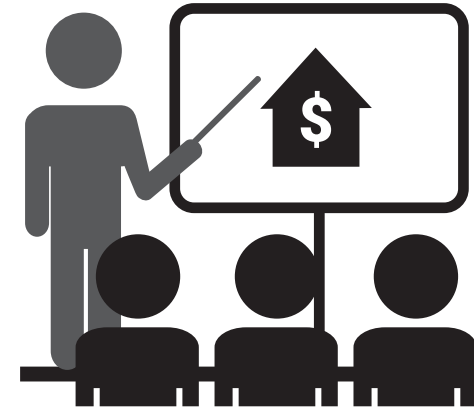




# ADDITIONAL APPLICATIONS



**LI2EI, LLC**

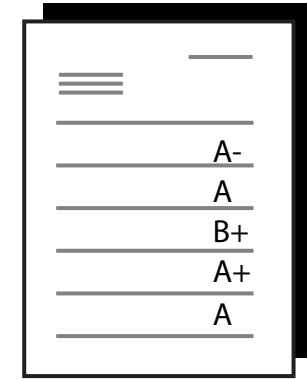
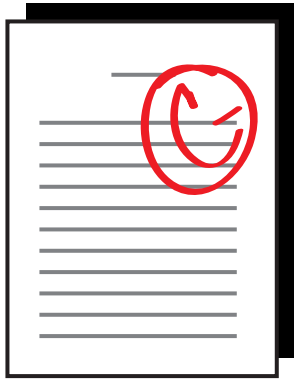


## DEPARTMENT OF CORRECTIONS

- Over 60% of the prison population in the U.S., are high school dropouts.
- California spends \$70k on the housing of inmates vs \$9,200 per k-12 student.
- Students from low income families are five-times more likely to drop out of school.
- Inmates can be provided iPads, and as long as educational goals are met, they can keep them while being monitored.

## SALES TRAINING

- Using the LI2EI platform, companies can give new sales team members the latest phones with modules to be taken weekly.
- Bring new hires up to speed quickly on product knowledge, sales techniques, competition, sales numbers, projections, etc.
- Additional rewards can be given to salespeople scoring highest amongst their peers.



- Children **WANT** to do well. They want to earn their peers' praise and approval. They want others to be proud of them, and they want to be proud of themselves.
- Children **CARE** even when they say they don't. That is a defense mechanism to protect themselves when underachieving.
- Children will hide their anxiety and failures behind frustration, anger and rebellious attitudes.
- LI2EI will prepare the child, intrinsically and autonomously, to compete, engage and push through the limitations that until now would have dictated their future.

# PROOF OF CONCEPT

The current class of 4th graders who are actively engaged with the platform have been showing tremendous results. This class of 18 students have successfully completed 3,770 exercises with each student averaging 209.5 exercises. User data shows that each exercise has taken a minimum of 20 minutes to complete which equates to at least 70 hours of additional study time outside the classroom in the past 100 days. In other words, these students have benefited from an average of 42 minutes per day of additional targeted learning.

# COMPANY HIGHLIGHTS

- LI2EI takes the most important device in the lives of today's youth and turns it into a motivating educational tool.
- We are the only company in this space. All the improvements made on other educational tools are designed to make them more exciting and interactive. Only LI2EI comes at the problem from the angle of driving them to those tools. The latest Apple iOS release in late May provides more parental controls but completely misses LI2EI's novel approach.
- The business model is highly predictable and simple enough to execute.
- The educators on our curriculum board are all eagerly awaiting its release, and speak highly of its potential to revolutionize education.





# 3-Year Financial Forecast





## Assumptions

- Years 1, 2 & 3 assume rollout focuses *primarily* on LAUSD public schools
- Year 1 commences on 9/1/2018. Fall semester = beta test; Spring semester (2019) = scale
- Conservative estimate used for private school student subscribers based on limited advertising budget in the first 3 years (focus is on public schools)
- 1.5% growth of LAUSD student population year-over-year
- Minimal Gross Margin in Years 1, 2 & 3 due to significant reinvestment in:
  - continuous programming/development of platform;
  - large number of education professionals expanding platform content;
  - establishment of a customer service call center
- Conservative 10X multiple used in valuation vs. industry averages (e.g. NetDragon @ ~46X)
- Seeking \$1,500,000 in seed for a 15% stake for a valuation of \$10,000,000 (Year 3 valuation)
  - Age of Learning valuation: (<https://techcrunch.com/2016/05/03/age-of-learning-a-quiet-giant-in-education-apps-raised-150m-at-a-1b-valuation-from-iconiq/>)











# Exhibits 1 - 3

Expense Detail – Years 1, 2 & 3



<b>Expenses - Year 1</b>			
	<b>Cost of Good Sold</b>		
	Continued Platform Development	\$ 721,101	
	Content Development	480,734	
			<u>\$ 1,201,835</u>
	<b>Selling, General &amp; Administrative</b>		
	Sales (Salaries, commissions, etc.)	\$ -	
	Administrative Salaries	75,000	
	Advertising	150,000	
	Facilities	-	
	Insurance / Online Security	100,000	
	Professional Servies	150,000	
	Other	75,000	
			<u>\$ 550,000</u>
	<b>Total Expenses Year 1 (supporting \$1.5M investment)</b>		<u><b>\$ 1,751,835</b></u>



<b>Expenses - Year 2</b>				
	<b>Cost of Good Sold</b>			
	Continued Platform Development		\$ 990,499	
	Content Development		<u>3,961,997</u>	
				<u>\$ 4,952,496</u>
	<b>Selling, General &amp; Administrative</b>			
	Sales (Salaries, commissions, etc.)		\$ 350,000	
	Administrative Salaries		225,000	
	Advertising		350,000	
	Facilities		225,000	
	Insurance / Online Security		225,000	
	Professional Servies		200,000	
	Other		<u>75,000</u>	
				<u>\$ 1,650,000</u>

