FROST & SULLIVAN

INDEPENDENT EQUITY RESEARCH

Kvasir Education LTD

17.07.2021

INITIATION OF COVERAGE

Stock Exchange
TASE

Symbol
KVSR

Sector
Technology

Sub-sector
Internet & Software

Stock price target
NIS 64.7

Closing price
NIS 28.1

Market cap
NIS 110.2 Mn

No. of shares
3.9 Mn

Average Daily Trading Volume
88 stocks

Stock Performance (since June 2020)
-46.5%

Kvasir Education (TLV: KVSR) is a publicly traded EdTech company headquartered in Israel and has subsidiaries in the UK and the USA. The group focuses on customized online higher education teaching tailored to students studying subjects in the STEM fields at higher education institutions worldwide (outside Israel) through short videos (bite-sized) tutorials in whiteboard technology. The Company creates customized courses that follow the universities syllabi. The Courses include exercises, practice problems, and study guides. The content is developed by the company using skilled academic staff.

The company has developed a 'Customization Engine' system for content management, which allows it to adapt the content it has developed to thousands of courses in many institutions of higher learning around the world, using thousands of short videos created by the company. The system enables rapid adaptation of the content developed by the company to various higher education institutions' curriculum. The company's products are used through dedicated websites (under the brand 'Proprep'). The company's content is available 24/7 from everywhere via various media devices (computer, mobile phone), enabling students to study at a time, place and pace that suits them and at a level appropriate to the specific course.

Market - The global EdTech market was estimated at $163 billion in 2019 and is expected to reach $404 billion by 2025, reflecting a 16.3% CAGR growth. Global EdTech venture capital investments have grown 32x since 2010 and hit a record high of $16.1 billion in 2020. The momentum has continued into Q1 2021, which has witnessed nearly $4 billion in global investments.

Strategy - The company's go-to-market strategy is primarily business-to-consumer (B2C), focusing on user acquisition and user lifetime value. With B2B customers, Kvasir takes two different approaches. The first is approaching universities and relevant stakeholders, and the second is sub-licensing its content through third parties.

Kvasir Education is primely placed to be at the forefront of future online education. We value Kvasir's equity at NIS 253.7; the price target to be in the range of 58.2 NIS to 71.2 NIS with a mean of NIS 64.7.

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Investment Thesis

The global pandemic has sparked the world's largest ever remote learning experiment. The pandemic had reportedly caused school closures in about 200 countries worldwide impacting 9 out of 10 enrolled learners or roughly over 1.6 billion people globally. With the outbreak, there was acceleration in the need to shift from brick and mortar approach towards a digital form of education and learning. The pandemic has been a boon to one of the world's fastest growing industries i.e. Education Technology. Though the transition was initially difficult for its stakeholders, it marked one of the most drastic developments in the education history across the globe.

The EdTech industry is currently booming as all educational institutions regardless of their size, are now adopting a hybrid approach to learning. The E-learning industry is anticipated to witness 3X growth between 2015-2025, as a rising number of classrooms continue to move online. As access to the internet grows across the globe, so too has demand for education apps, with a renewed urgency because of the pandemic. In order to keep up with the global trends, the need of the hour for academic institutions and students globally is to adopt tech-based education/ learning. Also, the ubiquitous presence of smartphones as access points and the scalability of digital platforms enable quality education to be delivered across the globe in a cost-effective manner. Not just academic institutions, the economic repercussions of the pandemic have been severe towards enterprise workforce and have resulted in a significant rise in the global unemployment levels, like never before. This has led to an accelerated shift towards re-skilling and up-skilling using online platforms. Individuals are resorting to a much faster and return on investment (ROI)-led means in order to help them secure employment or even support their career growth moving forward. Kvasir Education is primely placed to be at the forefront of future online education. Kvasir Education helps unlock the potential in each STEM student by simplifying complex study materials into easy-to-use, and personalized tutorials and study guides. The company helps improve understanding on complex topics/ subjects and accelerates students' learning curve. Kvasir Education offers limitless options for course customization allowing the students to study the way that best suits them. Kvasir Education works with esteemed academic leaders and teaching staff round the clock to create quality content on its own to support the learning process for STEM students. This is a key differentiator for Kvasir against its peers as Kvasir **create and own the content** themselves and do not depend on user generated content unlike most incumbent industry players today. Kvasir Education allows students to access filtered course content customized videos and resources for a fraction of a cost againt online tutors. The courses are filtered down to the university, course and modules using their award-winning technology that helps automate the process of customizing learning resoures exactly to a college/university syllabus.

Business Function: Personalized online video tutorial courses for higher education and exam preparation
(Primarily in US and UK markets)

Key Focus Area: Science, Technology, Engineering and Mathematics (STEM)

Short online video tutorials including online workbooks, study guides and practice questions and solutions remains the crux of Proprep's activity in both UK and US markets that they cater to. Focusing on STEM subjects, Proprep has built a vast library of over 1,100 hours of video and about 12,000 online videos tutorials, all ranging between five to seven minutes long.

Proprep's ability to customize its content in minutes to specific university modules, which includes up to 95 video tutorial hours and around 1,200 practice questions and solutions, allows the company to offer an engaging learning solution to students. The company began its operations in August 2014 as a subsidiary of 'Gool', a leading study site in Israel, and since 2019 has been operating separately. More than 500,000 students, most of them in Israel, have used this pedagogical solution in their studies.[1]

Between September 2018 and February 2019, the company participated in the 'LearnLaunch' accelerator which is considered one of the leading accelerators in the US in the field of innovative learning technologies. The company also won various awards such as the EdTech Innovative and Breakthrough Technology Award on behalf of the International Learning Technologies Conference held in Israel in June 2019 (IES), in which the company was selected by an international panel of EdTech investors.

We view Kvasir Education as a great opportunity for investors seeking to invest in innovative EdTech companies, specifically focusing on online video tutorial personalized education services for STEM studies.

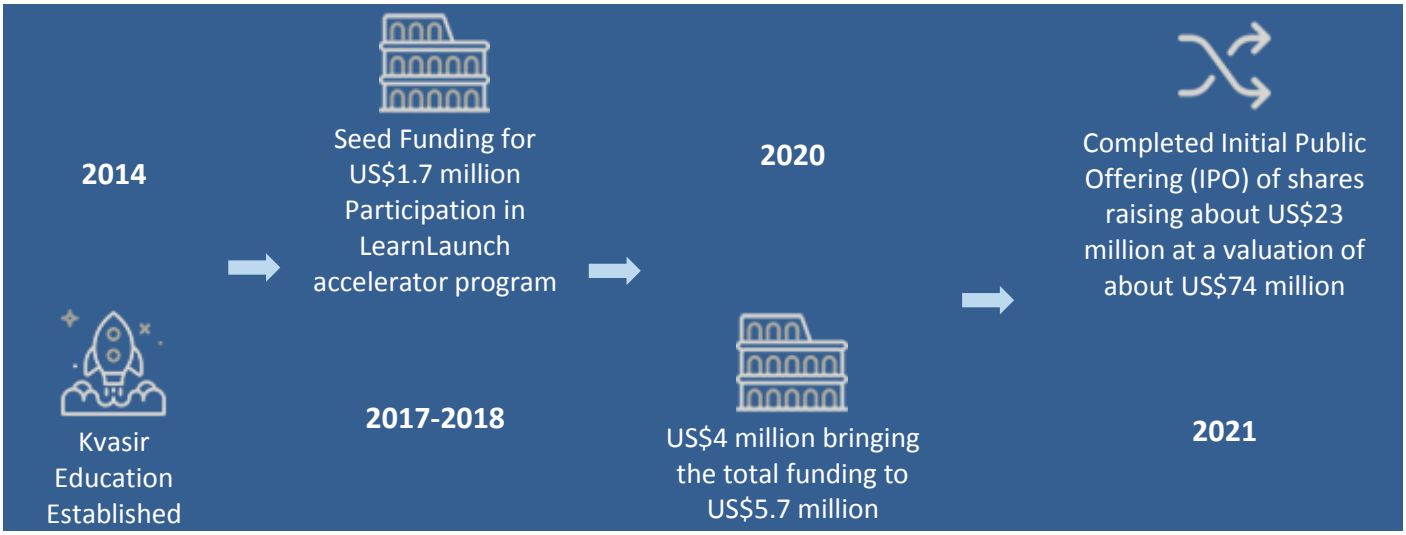
As the owner and creator of its learning content, the company aims to expand its scope beyond B2C activities (selling directly to students), to include B2B activities by partnering with universities, publishers, and additional stakeholders within the Education field. Kvasir's focus on blended learning model is exciting and will help solidify its potential growth value in the coming years.

[1]The above mentioned 500,000 students are mostly from Israel.

1. Company Overview

Kvasir Education (**TLV**: **KVSR**), hereafter "the Company" and/or "**Kvasir**" is a publicly traded digital learning platform or **EdTech company**. The company is headquartered in **Israel** and has subsidiaries in **the UK and the USA** (where the company operates under the brand Proprep). The company focuses on providing customized online video courses that include tutorials and study guides for higher education. The company offers technology that helps automate the process of providing customized tutorials to students based on the syllabus of the Universities. The company creates short videos of 5-7 minutes each in whiteboard technology (a lecture where the viewer sees only the content and not the lecturer).

Here's a glimpse of Kvasir Education's journey thus far: the company incorporated in 8/2014 funding during 10/2016 – 4/2017 from private investors, Learn Launch during 11/2018.



The company's controlling shareholders are Eytan Stibbe, Efrati Simi (Director), and Itay Koppel (CEO). Simi and Itay are currently serving as co-founders. Eytan Stibbe is an Israeli entrepreneur and a founding partner of the Vital Capital Fund. For the past 35 years, Stibbe has been leading business ventures and project financing in various countries to make vital infrastructure accessible, including in education. Stibbe is a colonel in reserve and served as a fighter pilot in the Air Force. In about a year, Stibbe is expected to be the second Israeli to take off into space (through SpaceX) and the first Israeli to arrive at the International Space Station.

The company's mission is to improve student's success by enabling them to maximize their academic potential in STEM (Science, Technology, Engineering, and Mathematics) courses. This is achieved by providing students with content they need, anytime, anywhere. 'Proprep's solution consists of bite-sized video tutorials, not longer than 5-7 minutes, along with theoretical content, study guides, and practice exercises, created specifically for STEM subjects and these courses are prepared by leading professors,

each with over 10 years of teaching experience in the respective academic fields. The videos are created in whiteboard technology.

Why STEM?

STEM degrees have reported high dropout rates in the past. Globally, it is reported **that over 40% of the students are dropping out in STEM and related courses**. Per industry estimates, the UK economy has suffered losses of around £1.5 billion every year owing to STEM skills shortages. This poses a greater risk to business growth, innovation and broader societal development. Similarly, in US, over 3 million positions are open that require STEM courses and those positions are open because there is a huge variance between demand and supply as Universities are unable to produce enough students who excel in STEM courses. **Shortage of highly skilled professionals** in STEM field could potentially slow down the global economy even as many universities globally struggle with the **cost of attracting qualified lecturers**. Not just US, but STEM skills are in high demand by the international workforce. Online learning serves to address this challenge, in addition to eliminating issues of cost and instructor shortages by delivering expected learning outcomes for students studying STEM courses globally, albeit at a much lower cost. Students studying STEM courses need lot of practice in order to succeed in these courses. **Proprep's online platform has a big potential to expand access to quality STEM education globally**.

The figure below present highlighs from the ""**The 2020 State of Technology in Education**"" survey done by Promethean World across 1200 teachers and administrators of K-12 schools in the US.

Why Proprep?

Proprep team creates customized courses by analysing syllabi of each course across departments for each university and assemble list of bite sized videos that offer exact materials and levels that each student would need through their studies. The platform offers the ability to analyse the 'content's usefulness which leads to improved understanding of study methods and content preparation.

Proprep's solution is based on several pillars. Firstly, the content is created by academic lecturers and customized according to the syllabus of the university. Proprep platform provides analytics tools, that enables them to improve both the process of teaching and the process of learning. The platform serves to increase engagement of students studying STEM courses.

By breaking down complex subject level depth into bite-sized learning resources, Proprep helps students to push their academic performance over the line. This works on two counts; firstly for those students who simply wish to improve their studies, as well it caters for those students who find STEM lectures and subjects challenging or are struggling to follow a particular subject.

2019

Proprep was awarded as the **most innovative and disruptive EdTech startup** at the Israel Education Summit held in 2019. Proprep was **selected from amongst 50 companies**.

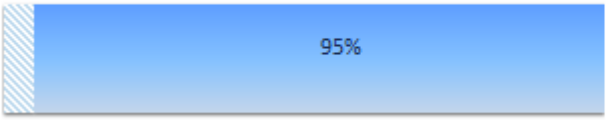
Key Attributes and Salient Features

It takes minutes to create a customized 75-90 hours course video with around 1200 practice problems.

- 35+ Pedagogical Staff
- Blended learning and customization of learning resources
- Award-winning technology, which is scalable
- 1,900+ courses adapted for Universities by syllabus
- 9,000+ STEM exercises with comprehensive video solutions
- Easy accessibility via computer and smartphone

Impact of Covid-19 on Education:

Covid has accelerated transition towards adoption of technologies given that in-person lecture delivery is not an option as most universities are closed to mitigate the global pandemic. The shift to blended learning i.e. combining online classes with in-person discussions, has been positive because it has proven to be much more efficient than than in-person only and online only approach. With blended learning, as recent studies highlight, not only are students more satisfied with their course experience, but a high number of such students have improved grades as these students were able to better manage their cognitive load compared to students attending in-person and online only classes.



95% or **nearly every respondent** says that they **used online tools in 2020.**

Source: The 2020 State of Technology in Education

Proprep realized in early 2020 that students are facing challenges owing to university closures. **'Proprep's immediate response to the global pandemic was to open-up access to all of their bite-sized video tutorials and study guides, free of charge for the whole academic year**. In addition to opening up courses created by expert professors free of cost, **Proprep team also introduced a scholarship fund of £50,000** in

order for students to focus on their studies and not get perturbed by the finances. This academic year 5 students were awarded GBP 5,000 each.

Strategy and Business Model

The go-to-market strategy is primarily business-to-consumer (B2C); the focus is on user acquisition and the lifetime value of a user. In addition to approaching the students, the company also engages through student unions and associations and by participating in events conducted through these associations, such as students' week and other events hosted by student communities. Kvasir's primary focus remains on their B2C efforts, and their expansion through B2B is largely through its partners, given that the sale cycle on B2B is longer (takes up to 3-4).

Kvasir takes two different approaches to engage with B2B customers. The first approach is to approach universities and relevant stakeholders, and the other approach is to sub-license its content through third parties. The company plans to cooperate with universities that are looking to reduce teaching assistance and content creation costs. Proprep is going to engage with such universities on a case-to-case basis through a licensing model. In the US, Proprep works with channel partners that also sell directly to universities and also offer online program management (OPM).

UK Presence:

Proprep launched in UK in 2019, has established partnership with over 25 student unions around the UK region thus far, including Imperial College of London, University of Manchester, King's College, Middlesex University, London School of Economic, Queen Mary University, to name a few. Proprep develops unique learning tools that are customized to specific university courses in UK.

On March 22, 2021, UK Proprep entered into collaboration agreement with MYUNIDAYS LTD, a private company registered in the UK and Wales that has a website offering students around the world discounts, promotions, benefits, services and products relevant to them. Under the agreement, it has been agreed that Proprep UK will provide UNiDAYS with 500 permissions that include full access to the UK Proprep system. In return, UNiDAYS will provide Proprep UK with an advertising package on its platform in the UK.

Proprep UK Activity	
5,634 **Number of registered to website**	79 **Unidays (Paying customers 3rd party)**
1,464 **Number of students that took course**	217 **Unique Paying customers**
998 **Number of users (watched a video)**	

Proprep has began venturing into US market only since 2017. Currently Proprep has students from over 50 universities in the US, which includes a mix of ivy league schools, community colleges, state universities, thus demonstrating that the Proprep solution is applicable for everyone across the universities.

North America Presence:

'Proprep's revenue model is subscription-based access for students. They offer 3 plans to users currently, which includes a monthly plan, charged at $14.99 for 1 'month's access, a quarterly plan with 3 'months' access charged at $11.99 and lastly, annual plan with 12 'months' access charged at $9.99, with the quarterly and annual plans being billed one time. They also offer a 30 days money-back guarantee scheme, which allows dissatisfied users to cancel their subscription and claim the subscription charges as refund.

Proprep US Activity	
758 **Number of registered to website**	826 **Number of users (watched a video)**
300 **Number of students that took course**	101 **Unique Paying customers**

2. Products and Technology

The company uses a very unique technology, which consists of three elements. Firstly, creation of content. The Pedagogic team creates huge amount of generic content and this is integrated with a customization engine, which is combined with automated tools in order to enable Proprep to optimize teaching process and help create personalized learning courses.

Market and Proprep in Numbers:

UK Market	US Market
Approx 100 **Universities**	**Approx 550** Universities
2,200,000 + **University students**	**22,000,000 +** University students
1,430+ **Customized courses**	**4,900+** Customized courses
25+ **Partnerships with student unions**	**4,200+** Higher educational institutions

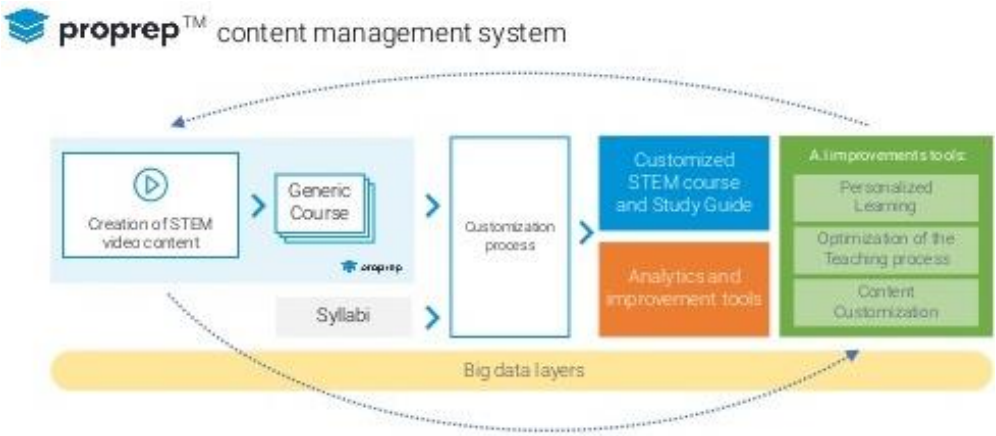
Source: https://kvasireducation.com/markets

Depending on 'student's learning style, Proprep platform allows students to either complete the whole series of tutorials at one go or alternatively mix the topics they need help with, when they need them. The platform allows students to master any STEM course in 3 easy steps:

1. Watch the video tutorials

2. Solve the practice problems

3. Check their work against pre-solved video solutions



Proprep's differentiator lies in the fact that all of its educational content is created by university lecturers with at least 10 years of teaching experience. Proprep was indeed founded by professors who understand the core challenges that STEM students face today, across the globe. As a result, Proprep team works round the clock to ensure quality resources are created with a deeper understanding of the material and improved problem-solving techniques that facilitate comprehensive learning for students. With hundreds of thousands of video tutorials and customization options, students can access exactly what they need to succeed in their courses. Should the course required be unavailable, Proprep offers to customize the same within minutes of telephonic or email correspondence.

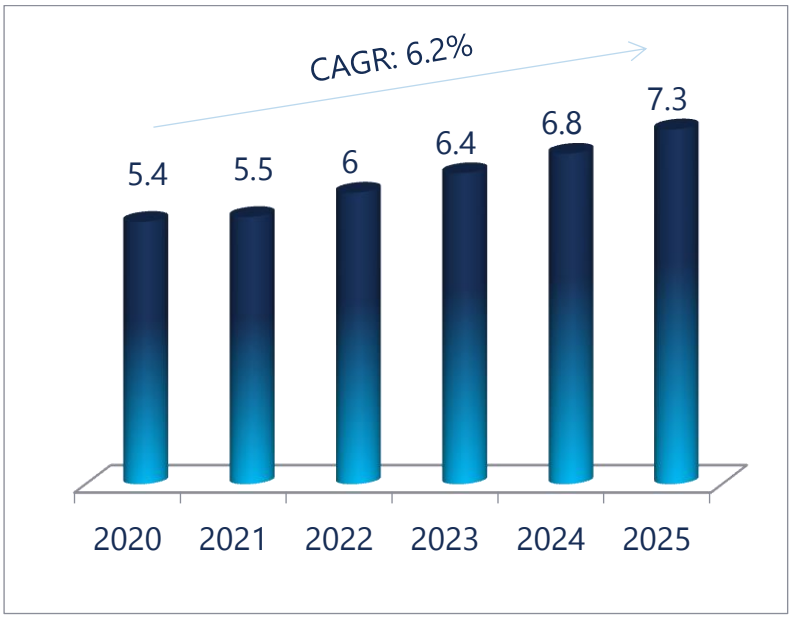
3. E-Learning Market Overview

Market Overview:

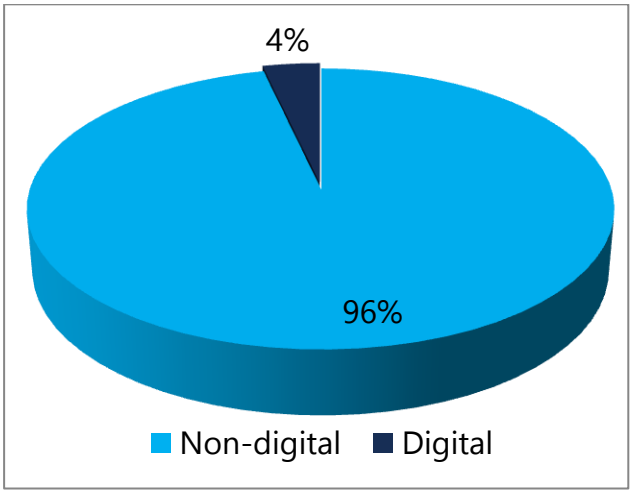
With the advent of world wide web, and its ever changing innovations, every industry has evolved significantly and some sector have now become unrecognizable over time, for instance instantaneous UPI transfers or self-driven cars. Similarly, classroom teaching has evolved from subject matters to pedagogical method and been upgraded over every passing year that the entire process of education marks a significant amount of progress compared to the yesteryears.

Education industry has reset itself post the pandemic as the industry steers towards a digital future, one which encourages hybrid forms of education, encourages experimentation and innovation through edtech rollout, thus actively pursuing long term reforms. While there has been a considerable interest towards e-learning in the past decade, online learning has now emerged as a necessary resource for education.

Global Education and Training Expenditure ($ Trillion), Calendar Year 2020-2025



Global Education Expenditure Distribution (%), CY 2020

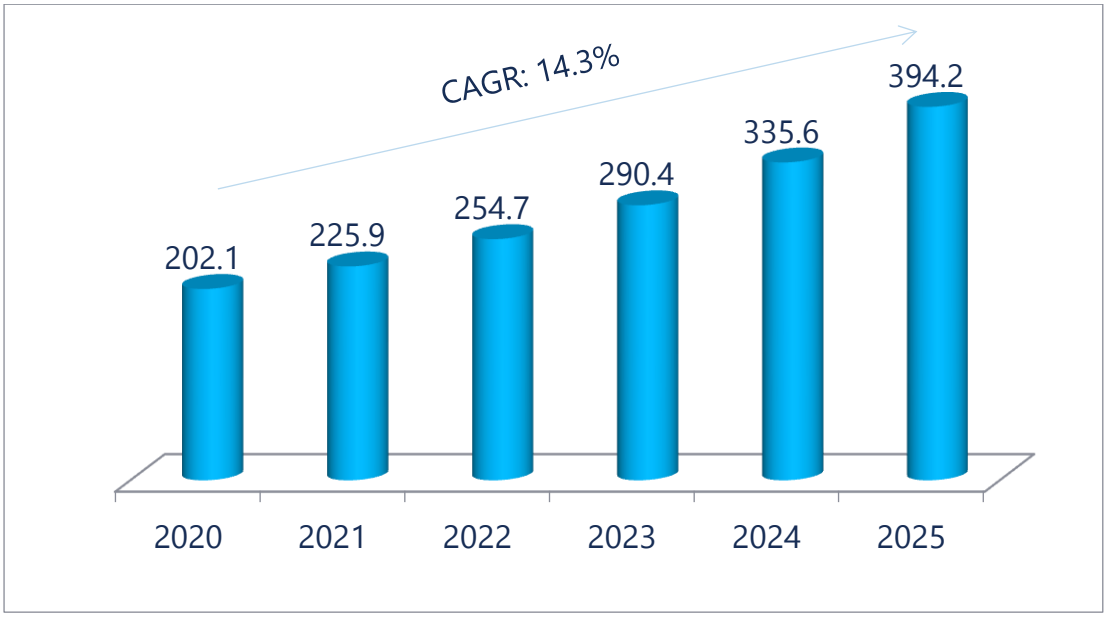


Source: Holon IQ

The global education and training market is expected to reach $7.3 trillion in total expenditure by 2025, registering a cumulative average growth rate (CAGR) of 6.2% between CY 2020 – 2025. It has been witnessed that the higher education tuition inflation is nearing an end as federal institututions and consumers demand improved access, affordability and stronger return on investments (ROI). Digitization has gained momentum and is likely to drive improved administrative productivity and efficiencies in the education sector, as against the traditional analog-focused foundation.

The e-learning ecosystem follows the entire learning flow: content creation with lecture capture solutions (LCS); publishing with massive online open courses (MOOCs) and dynamic publishing tools; management with learning management solutions (LMS); creating opportunities for collaboration with social learning and video conferencing platforms; and accessing the information through devices. LMS is primarily being used by universities to offer specific courses from within the university through software platforms. On the other hand, there is increasing interest towards courseware platforms, which enables students to study specific courses and assess themselves through various test evaluations. MOOC is essentially a product, which can be provided via third party platforms i.e. through LMS or through courseware platforms. It is also observed that the use of big data/ analytics platforms is integral to e-learning as it helps enterprises and institutions measure the success of their educational and training programs.

Global E-learning Market ($ Billion), CY 2020 - 2025



Source: Frost & Sullivan

The global e-learning market is expected to reach $394.2 billion in overall revenues by 2025, registering a CAGR of 14.3% between CY 2020-2025. Pre-pandemic, there was a sense of acknowledgment that the traditional higher education business model was being seriously challenged. The world has now witnessed an abrupt shift to multiple modes of digital education. Significant changes have now occurred in how K-12 and higher education students adopt the technology. Students and employees want access to educational content anytime and anywhere and across various types of devices. With school closures and work-from-home mandates, the COVID-19 pandemic has forced educational institutions and business organizations to deliver on student/employee needs by increasing adoption of e-learning solutions to recreate the in-class experience online.

Many elite institutions have now discounted tuition for a fully online experience in a historically unprecedented manner, clearly remembering that online/digital learning capabilities have now become the fulcrum of competition between institutions globally.

"It's like a genie that is out of the bottle, and I don't think you can get it back in. In many respects, this is overdue."

- Paul Reville, Former Massachusetts Secretary of Education and Founding Director, Harvard University's Education Redesign Lab

Policymakers around the globe support the transition towards online learning. For example, in Texas, officials are developing a plan to ensure broadband connections are meted out to every K-12 student

beyond the pandemic, funded by a combination of both local and state dollars. The pandemic rescue package brought into effect by President of USA, Joe Biden, includes more than $7 billion for the Federal Communications Commission to fund internet connections and devices through the e-rate program in addition to regular e-rate funding to connect students at home.

On the other hand, the global pandemic has severely dented the labor market at large. There is an urgent need to learn new skills to compete in industry sectors such as healthcare, technology, and non-durable manufacturing that are now driving the economy. A number of companies are also looking to leverage the e-learning model to acquire the necessary digital skills needed for their employees in the current Covid-19 economy. For example, tech giant Microsoft Corp launched a global reskilling initiative to bring more digital skills to 25 million people worldwide. Enterprises are looking to invest in a connected learning system that will empower people to pursue lifelong learning.

The global pandemic emerged as a way to expand access to less-common courses. If one high school offers a class in Portuguese, e-learning allows students from other schools to join such classes remotely. Though online learning is seen as a supplement and not yet a substitute for in-school instruction, the adoption rates are overwhelmingly positive. Frost & Sullivan believes that an increasing shift to e-learning practices is likely to outlast the pandemic.

Online learning technology and trends:

An explosion of devices, availability of broadband connectivity, and increasing government funding to setup the technical infrastructure in place to support digital learning are bridging the digital divide. The aforementioned factors in turn, are driving a strong movement towards the **cloud**. This trend will continue to level the playing field by allowing institutions globally to take advantage of low-cost deployments, rich features, and quicker product updates. The extreme proliferation of the bring your own device (BYOD) trend and the rise in broadband connectivity will drive greater mobile access among students. Since students access digital learning solutions through multiple devices, vendors are driven to ensure a seamless and consistent experience across multiple devices, resulting in improved quality and access to education.

Learning experience platforms, the next generation learning management systems (LMS) continue to play a vital role in customizing the online learning experience. A growing number of vendors are now offering analytics that help measure student and institutional outcomes. This is critical as its difficult to build a

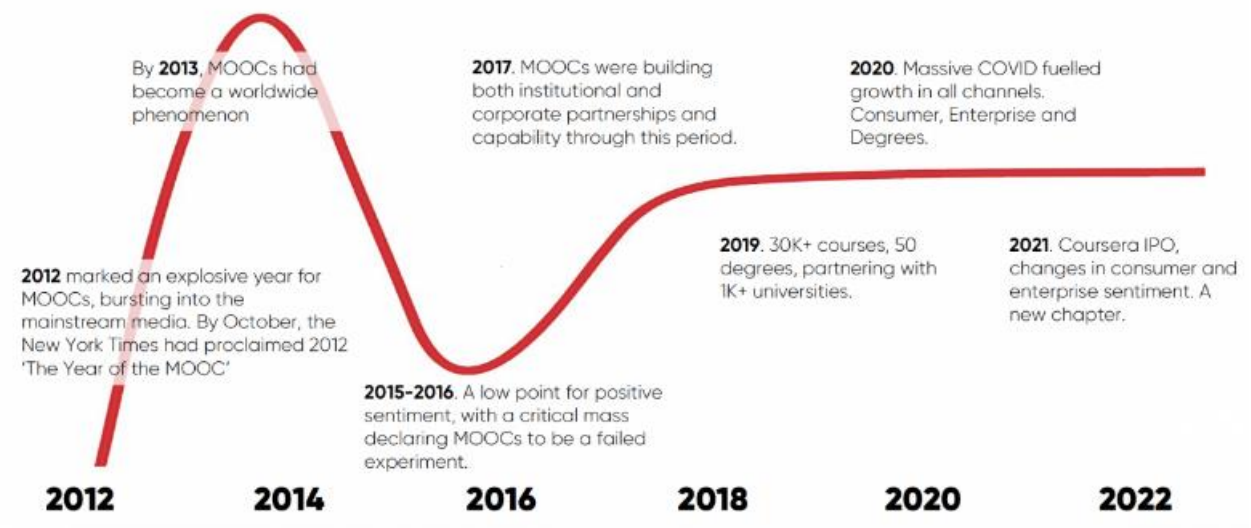
direct correlation between lecture capture system (LCS), LMS, or massive open online course (MOOC) usage, and student trends (for example, decreases in student dropout rates). Multiple factors contribute to student, and institutional outcomes and data are siloed in different platforms, making it challenging to build a unified picture to justify ROI in LMS. **Big Data** allows institutions to collect data across platforms and devices to build a more unified picture of their educational technology investments and measure student outcomes. Improved integration between lecture capture solutions (LCS), LMS, and other educational technology solutions and the adoption of interoperability standards will help integrate data across learning platforms to build a complete big data picture. Further, adopting adaptive learning pedagogies in educational institutions and business organizations will allow the application of diagnostic analytics to identify the moment of confusion, improve conceptual understanding, and suggest courses to meet student learning needs and interests. Institutions will increasingly adopt predictive analytics to identify at-risk students and improve graduation revenues that directly impact institutional revenue and bridge the gap between traditional education and skills needed on the job.

Thirdly, introduction of **Artificial Intelligence** (AI), especially to support deeply personalized learning, is fuelling the education boom. For example, ProPrep uses an AI tool that helps match courses on their platform automatically with the curriculum of schools and universities, which are listed in their on-campus catalogues. The use of AI or machine learning is noted to be a valuable tool for many academic institutions since manual curation of thousands of courses could otherwise be challenging. For instance, Coursera has matched over 2.6 million on-campus courses across 1,800 schools to its online offerings. This helps schools and universities to respond to students' needs effectively and deliver the right courses for them. Future advancements are being built around how AI systems can curate lessons to each student by adapting to the students'pace and responding to student interactions on a real-time basis. Conversational chatbots is another area where AI systems are being put into use. San Franciso-based Cognii's bot tool can interact with a student, give them real-time feedback and encourage them to answer correctly, thus providing a personalized touch to online tutoring. This is achieved by combining conversational pedagogy with conversational AI technology. AI can help solve the chronic issue of teaching staff shortage across various counties and help plug the gaps in delivering quality education in the years to come.

Massive Online Open Courses (MOOCs):

MOOCs have evolved significantly over the past decade. In addition to the marquee names in the business who provide learning solutions to millions of people worldwide, many universities and even countries worldwide have now launched their own MOOCs or have partnered with large and established MOOC service providers to offer students online continued learning.

MOOC Roadmap, CY 2012-2021



Source: Holon IQ

MOOCs are usually offered as short, stand-alone courses wherein lectures are pre-recorded and accessible 24*7 by students. There are no hard deadlines to complete a MOOC, and the course provided not necessarily has to be from an academic institution. Below listed are key differences between traditional online courses and MOOCs in terms of content development and course delivery:

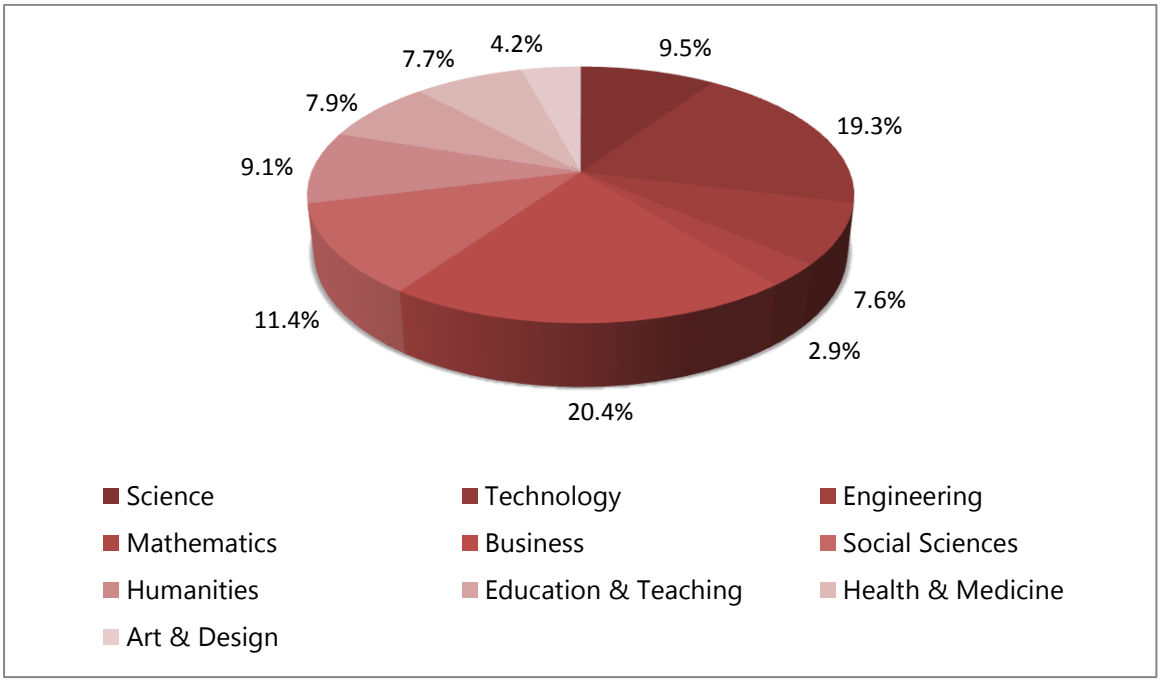
Traditional Online Courses	Massive Online Open Courses (MOOC)
New content is available once a week	Content is accessible 24*7
Modules are 45 to 60 minutes long	Modules are 5 to 10 minutes long
University-restricted media	Open-source media
The following content is locked until the student finishes the current one	All lectures are available from the beginning
Groups/ classes typically have to learn at the same pace	Self-paced learning
The course is closed-ended with specified due dates	The course is open-ended and may be completed at any time
Often includes scheduled live lectures	Pre-recorded lectures

MOOC model is most popular in the business-to-consumer (B2C) space for online courses and delivering test-prep in the professional certifications market. MOOCs are slowly graduating from a B2C higher education replacement into a business-to-business (B2B) partner for univerisites and academic institutions and builder of digital ecosystems. The digital market for "just-in-time" knowledge is highly competitive and is noted to be a rapidly evolving field within the education landscape.

It has been noted that one-third of the learners that have ever registered on a MOOC platform joined in 2020. MOOC providers made the most of the opportunity during the pandemic by offering students free

online courses from top universities and thus benefiting immensely in the recent past. The distribution of courses across subjects reflects that over forty percent of the courses belong to business and technology, which are some of the easiest course categories to monetize.

MOOC Course Distribution by Subject, CY 2020

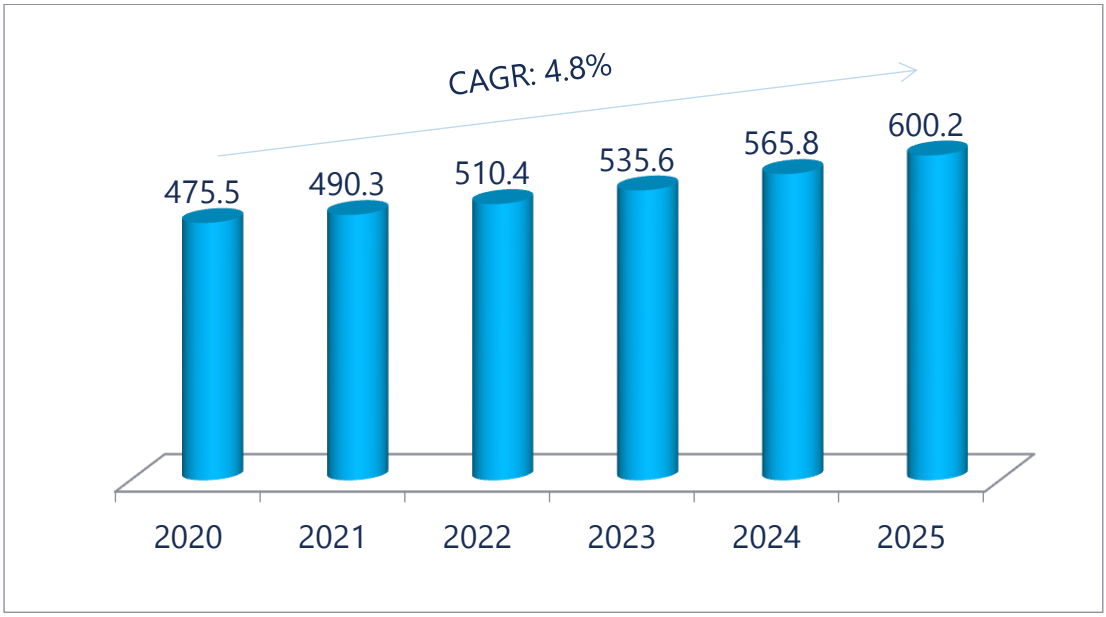


Source: Class Central

Test Preparation Market:

The global test preparation market is expected to grow at a CAGR of 4.8% to reach over $600 million by 2025. Test preparation is widely adopted for high school exams, university exams, and other competitive exams. The rising demand for test preparation solutions can be attributed to several factors, including the growing shift from conventional study groups to online mock/ practice tests with built-in guidebooks and applications. Additionally, rising internet penetration combined with improving economic conditions, especially in the developing world, has propelled market growth. With the onset of the global pandemic, several academic institutions have shifted towards online-based test preparation solutions, improving market growth.

Global Test Preparation Market ($ Million), CY 2020 - 2025



Source: Frost & Sullivan

US is expected to hold approximately 28% market share in CY 2020, and along with China, the two countries currently dominate the test preparation market globally. Other noteworthy markets include Canada, Japan, Germany, Australia, India, and South Korea. Several tech giants are now increasingly looking to enter the test preparation/ online education market. For example, Amazon recently launched Amazon Academy, potentially a test preparation app, and this is following similar efforts made by its rivals Google and Facebook.

Online Tutoring Market:

The global tutoring market is expected to reach a staggering $97.8 billion by 2025 growing at a CAGR of 15.5% during CY 2020-2025. The subjects that dominate the tutoring space are Maths (which remains the most populous subject), followed closely by Sciences and English; these are common subjects in the school curricula worldwide. One of the key drivers supporting the growth of online tutoring continues to be the affordability, tad cheaper than in-person/ face-to-face tuition and remains the key attraction for both parents and students. According to industry estimates, one in every two students in London are receiving tuition, which is heavily spurred by harder competitive exams, rising competition for school places and a tough global job market.

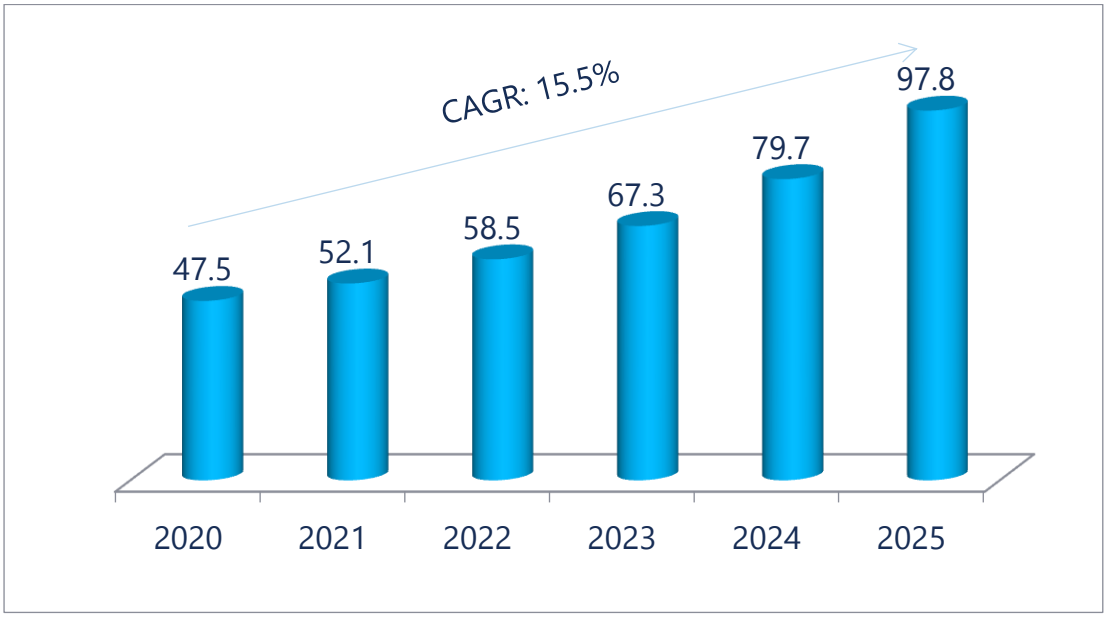
Many students begin to access tuition for STEM courses from secondary education in order to help them gain a good handle on these subjects and to prepare and secure their educational future. Microlearning is a very populous segment within the tutoring industry. It refers to learning that is delivered in small manageable modules and uses short-term focused strategies to improve subject-level understanding for

the students. It focuses on 'bite-sized' learning, which allows online tutors to hold a student's attention, especially through video resources and Gamification to keep lessons interesting and engaging.

Tutors encourage online teaching as it allows them to reach out to a broader demographic and expanded client base. Moreover, teaching online removes travel time and related expenses, and geographical barriers to tutoring. For example, it would allow someone to tutor a child in Malaysia in the morning, London in the afternoon, and New York in the evening. As many of these tutors are self-employed, the ability to expand their client base and gain teaching experience remains invaluable.

The online tuition market is fragmented, with marquee names like Chegg, MyTutor, and EF Education Trust holding a dominant share in over 100 countries worldwide. Some of the key players in the Asia Pacific region include the TAL Education group, New Oriental Education and technology, and iTutorGroup, to name a few.

Global K-12 Online Tutoring Market ($ Billion), CY 2020 - 2025



Source: Frost & Sullivan

Much of the anticipated growth is expected to come from the Asia Pacific region due to the constant demand for tutors to help students prepare for tests and remain competitive to secure a place in Ivy League schools and universities.

E-learning - The Bottom Line:

The last decade has consistently witnessed growing user interest in e-learning; however, the global pandemic has proven to be a shot in the arm moment. Essentially, e-learning has become a necessity, which reflects inevitable growth in the days to come. With facts and figures favoring e-learning and as

more ecosystem stakeholders realize the benefits of e-learning, it is evident that online education is here to stay.

E-Learning Market Drivers and Restraints:

E-Learning Market Growth Drivers:

Market Growth Drivers	Market Impact		
	Short Term (<2 Years)	Medium Term (2-5 Years)	Long Term (>5 Years)
Increase in Adoption of Blended Learning: Through this pandemic, educational institutions realize that not all course content needs to be taught in a physical classroom setting. The market is expected to see a growth in blended learning pedagogies, where students attend lectures on demand after school and use class time to solve problems.			
Accessibility: The COVID-19 pandemic has encouraged educational institutions to explore cheaper options from full-service caption providers to make video course content accessible to all students			
Growth in Continued Learning: The definition of a traditional student is evolving. With access to multiple devices and educational technology, education is no longer restricted to a specific age group, location, or time. Learners can now access education on-demand, anytime, and anywhere.			
Use of Analytics to Identify At-Risk Students: Increasingly educational institutions are showing interest in collecting student learning data to refine content, improve testing, identify learning patterns, and most importantly, identify at-risk students to provide timely support.			
The Post-pandemic World: Higher education institutions are expected to experience a drop in enrollment, particularly from international students			

that contribute approximately one-third of their revenue. With increasing competition, a saturation of domestic markets, and a drop in enrollments, institutions will look to expand their distance learning enrollments and revenue beyond borders. These factors will further drive investment in the overall online learning market.			

E-Learning Market Growth Restraints:

Market Growth Restraints	Market Impact		
	Short Term (<2 Years)	Medium Term (2-5 Years)	Long Term (>5 Years)
Teacher-Student Relationship: In remote classes, teachers may lose sight of where students are socially and emotionally (state of mind). Teachers and parents need to collaborate more closely and frequently about student well-being.			
Local Regulations: Education is a highly regulated activity and may be regulated both at national and local levels. These levels of regulation will most often not contradict each other; however, compliance with all of them may complicate operations.			
Faculty/ Teacher Adaptability: COVID-19 significantly impacted students and faculty, particularly those who followed the same routine, year-after-year, and those taking subjects that are difficult to take to the virtual and blended environments. Teachers must contend with synchronous and asynchronous strategies and learning, even within the same class context.			
Cyber Risks and Personal Data: Educational institutions and students are at increased risk of malware encounters, data breaches, and also violations of student privacy. Educational institutions and solution/service providers must consider safety measures to prevent students			

from sharing personal information and prevent cyber-bullying.			
Communication: With the new model of learning, many students feel shy to communicate with their teachers and friends. This could be driven by lack of interest, poor technological skills with devices and apps, or the inability to express themselves via live chats, videos, and emails. These reasons hinders students from developing practical communication skills during online learning.			

Online Tutoring: Competitive Landscape

Company	Primary Courses Covered	Competitiveness
Chegg: California-based Chegg Inc operates a direct-to-student learning platform. It offers an integrated platform of connected academic support services. The company provides a suite of subscription services, including Chegg Writing that provides students with tools such as plagiarism detection, personalized expert writing feedback, premium citation, amongst others.	• Mathematics • English	
iTutorGroup: iTutorGroup provides individualized and personalized learning experiences to students and business professionals through its online platform. They leverage big data analytics and advanced algorithmic matching between students, teaching consultants, and digital content.	• English • Maths • Chinese • Computer Programming	
TAL Education Group: Based in China, TAL Education Group provides K-12 after-school tutoring services. The company offers courses primarily in subjects including mathematics, science, English, and Chinese. They operate under	• Mathematics • Political Science • English • Chinese	

multiple brand names, including Xueersi, Mobby, Firstleap, to name a few, catering to specific tutoring services for specific topics.		
Stride (earlier known as K12 Inc): Virginia-headquartered Stride Inc is a technology-based education company that facilitates personalized learning through online education services to students primarily in the United States region targeted at the K12 student community. It provides non-managed institutional education services for public school programs, private pay schools, and talent development services for individuals employed in information technology fields.	• Mathematics • Engineering • Science	
Khan Academy: Khan Academy, a non-profit organization, that provides educational services, including instructional videos, personalized learning, and practice courses online, allowing students to master their skills and help learners build a strong foundation. Their courses are offered in over 36 languages and focus primarily on K-14 and test preparation content (namely SAT, Praxis, LSAT).	• Science • Computing • History • Art History • Economics	
Kaplan: Based in Florida, US, Kaplan is a premier provider of education services. Kaplan provides a range of services, including test preparation, performance training, and university support services (such as online enablement, analytics, and marketing), to name a few in the US region. Kaplan's global businesses expand into Europe, Asia, and the MENA region, offering accountancy, finance, and other higher education programs for students worldwide.	• English • Engineering • Accountancy • Medicine • Insurance • Finance	
Vedantu: India-headquartered Vedantu offers an interactive	• Mathematics • Engineering	

online tutoring platform using a proprietary WAVE (Whiteboard Audio Video Environment) technology, allowing teachers to provide tuitions in a real-time virtual environment. Vedantu's platform focuses on live, virtual one-on-one teaching, test preparation courses, and live personalized interaction between students and teachers using their purpose-built whiteboard technology.	• Science • Technology • Language	
Coursera: Coursera Inc is a global online learning platform that offers online courses from universities (including ivy league) and enterprises globally. Content is developed by associates from leadering universities and enterprise partners. The primary focus is on short courses, skills certifications, and complete degrees. Currently, Coursera has a partnership with over 200 universities globally, in addition to its enterprise partnership.	• Computer Science • Engineering • Data Science • Artificial Intelligence/ Machine Learning • Business Analytics	
Byju's: Headquartered in Bangalore, India, Byju specializes in application-based education and learning content. Byju's programs primarily cater to the K-12 and test preparation segment. Byju's platform uses original content, watch- and learn- videos combined with interactive simulations that enable a personalized learning experience for individual students.	• Mathematics • Physics • Chemistry • Biology	
Club Z: Based in Sugar Land, US, Club Z is an academic solution provider offering customized learning programs to students, including in-home, online, on-campus, amongst other options. They primarily focus on K-12 and exam preparation courses.	• Mathematics • Science • Languages	
Course Hero:	• Business and Accounting	

Headquartered in Redwood City, California, Course Hero provides an online learning platform that provides resources including crowd-sourced study documents, expert tutors and customizable flashcards. Founded in 2006, Course Hero boasts of more than 60,000 faculty across North America and Australia who are now part of the Course Hero educator community, sharing resources, collaborating with faculty in other fields and developing new instructional strategies for growth.	• Humanities • STEM • Social Sciences	
Quizlet: Headquartered in California, Quizlet offers mobile and web-based study tools for students, teaching staff and online learning community. Unlike most of its peers which are vertical and subject focused, Quizlet has a broad curriculum, from maths tests to medical exams to vocabulary quizzes, amongst others.	• Maths • Science • Social Science • Languages • Arts and Humanities	
Udemy: Udemy serves as a global marketplace for learning and teaching. Udemy's instructors come from around the world and offer courses in 65+ languages in a wide array of topics. It also serves as a corporate learning platform which offers solutions addresses the training needs of employees.	• Business and Entrepreneurship • Languages • Arts • Technology	

Legend	*High* 	*Medium* 	*Low* 

Recent Developments in Online Tutoring

- It is noted that Global EdTech venture capital investments have grown 32x since 2010 and hit a record high of $16.1 billion in CY 2020. The momentum has continued into Q1 2021, which has witnessed nearly $4 billion in global investments.
- Over 1,500 Ed Tech venture capital deals were recorded in CY 2020, where the K-12 segment notched up one-third share of the total investments even as the share of the workforce (vocational, corporate training, and professional upskilling) remained a dominant 48% of the total investments
- Asia now accounts for over 80% of all global EdTech investments
- The US and Europe have made a massive start with investments in 2021. Europe surprisingly had a strong quarter backed by companies such as GoStudent, Labster, Keystone, and Sana Labs closing large rounds of investments
- Coursera has announced IPO (Initial Public Offering) in New York in March 2021, giving the company a valuation of over $4.3 billion. At this price, the company is expected to raise about $519 million
- Byju's raised $460 million as part of its ongoing Series F round led by Facebook co-founder Eduardo's B Capital and MC Global Edtech Investment holding, with the company's valuation now hitting over $13 billion. Byju's acquired three-decade-old brick-and-mortar coaching center Aakash for nearly $940 million in a cash and stock deal in April 2021
- Unacademy has raised over $400 million in multiple funding rounds, with a valuation of over $2 billion. The funding includes $110 million investments from Facebook and General Atlantic, $150 million from Softbank, and $50 million led by Tiger Global and Dragoneer Investment group. Between CY 2020-April 2021 year till date, the company has picked up a slew of acquisitions, starting with Kreatryx, PrepLadder, Mastree, Coursavy.

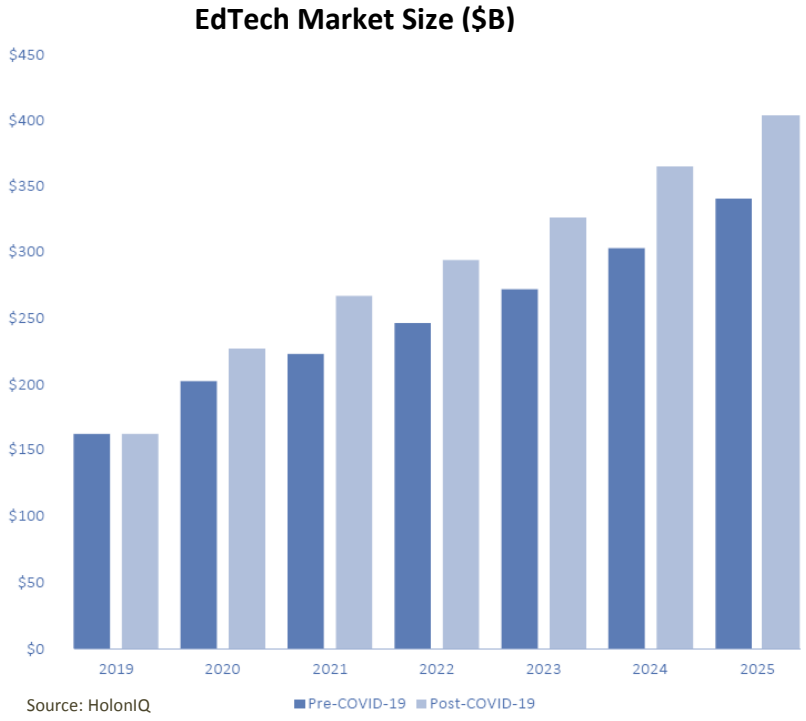
4. Financial Analysis & Valuation

4.1 Financial EdTech Market Overview

The education sector promises to incorporate a wide-ranging embrace of new digital technologies and strategies in the years to come. EdTech solutions have become increasingly instrumental in delivering education outcomes given a growing population of learners, changing preferences among students and educators for more diverse learning styles, and the impacts of COVID-19 in normalizing technology as a tool in parent-student-teacher relationships. These trends are helping create significant new opportunities for venture-backed startups. The market opportunity, as a whole, from early education to professional development, amounted to approx. $227 billion in 2020. The education sector is experiencing a unique moment in its reliance on technology to facilitate learning, which will help intensify technology adoption as a crucial supplement to learning far into the future.[i]

Market size

The global EdTech market spend was estimated at $163 billion in 2019 and is expected to reach $404 billion by 2025, reflecting a 16.3% CAGR growth.[ii] Though the pandemic may reduce total education expenditure in the near term, the crisis is likely to expedite the transition to digital learning infrastructure. Moreover, direct-to-consumer offerings are expected to experience growth as customers look to solutions separate from traditional learning institutions.



Source: HolonIQ

Industry Growth Drivers

Reorienting EdTech as a supplement for traditional teaching methods:

Many EdTech developments over the past decade have made teachers cynical about the role of technology in improving either their pedagogy or student outcomes, from the suggestion that MOOCs can substitute for higher education to the overreliance on new devices (such as iPads). These days, EdTech companies include the key stakeholders they serve earlier in their development lifecycle to drive greater adoption and growth. Moreover, companies must provide continuous robust support to schools attempting to integrate new technology into traditionally delicate educational structures.

Swelling demand for tools that can personalize instruction:

Large class sizes have stretched teachers' ability to provide meaningful one-on-one instruction to their students, creating an opportunity for technology to supplement teachers' roles through tech programs that alter the content in response to students' learning styles. Educators in both primary, secondary, and higher education arenas are piloting such solutions. In the professional world, digital coaching services can provide a mix of one-on-one business coaching and related activities as enterprises invest in employee growth initiatives.

An opportunity for more "direct-to-parent" business models:

Due to public health challenges caused by the COVID-19 outbreak, remote schooling will likely continue for some parts of the world deep into 2021. In particular, in the US, public education funding, 90% of which typically comes from state and local governments, is dwindling as sales and income tax revenues plummet, given the ebb in economic activity. Thus, making it difficult for schools to invest in new EdTech solutions and incentivize parents to seek out supplemental EdTech offerings for their children.

Novel educational engagement strategies that appeal to a younger, tech-savvy generation:

Educators are increasingly adopting technologies such as 3D printing, augmented and virtual reality, artificial intelligence, and robotics as they look for ways to enhance student engagement and connect skills to a progressively digital world. In addition, many educators embrace gamification as students demand more "stimulating" content in an entertainment-saturated world.

A greater premium on reskilling and upskilling opportunities:

Even before the pandemic, companies and workers alike realized the value of continued learning in a fast-changing economy. Surveys have shown that employees are far more likely to recommend their workplace

and stick around if their company provides educational opportunities; in turn, companies invest more into educational benefits such as stipends and online courses.

Traditional academic curriculum expanding to Include a greater focus on "soft skills":

Schools are investing more into social and emotional learning tools and curriculum, which aim to teach children how to manage their emotions, set and achieve positive goals, feel and show empathy for others, establish and maintain positive relationships, and make responsible decisions. Employers are also investing in such skills to focus on leadership and management, creative problem solving, and interpersonal communication.

Ballooning college costs:

Tuition costs at public colleges in the US have risen over the past decade, increasing on average by 37%. The rising costs have put greater pressure on prospective students to reconsider their options, current students to consider dropping out or vying for more scholarships, and past students to lean on their current employer to help them pay down debt. As a result, various startups have emerged to help each of these stakeholders tackle the overall problem of educational, financial hardship.

Asia continues to represent the largest opportunity for EdTech growth:

In 2014, China alone had almost 260 million students from pre-K to higher education, making it the world's largest education system.[iii] Across Asia, families have shown a lower income elasticity for education than other sectors, with families in China, Indonesia, India, Singapore, Malaysia, and Taiwan prioritizing private education spending at greater rates.[iv] Moreover, increasing Internet penetration rates, particularly in India and Southeast Asia, quickly expand access to digital education tools, especially during COVID-19. Additionally, government policy throughout the continent has further emphasized the importance of education, with China increasing funding toward EdTech every year since 2011 and India recently updating their National Education Policy to include digital learning and coding initiatives.

4.2 Valuation Method & Approach

Valuation of a start-up company in its early stages can be challenging due to limited cash flow (if any) and uncertainty regarding the future. As part of a Discounted Cash Flow (DCF), the accepted method used in financial valuations, there are several modifications to a start-up company's valuation. In general, there are four primary methods within the DCF method:

1. Real options – this valuation method is designated for pre-clinical and early-stage clinical programs/companies where the assessment is binary during the initial phases and based upon scientific-regulatory assessment only (binomial model with certain adjustments).
2. Pipeline assessment – a valuation method used for early-stage companies before the market stage where time-to-market may be a few years for full operations. The company's value is the total discounted cash flow for its products/signed agreements plus unallocated costs and its technology platform assessment.
3. DCF valuation - this method applies to companies with products that have a positive cash flow from operations.
4. Market benchmark – this method is based on recent deals (M&A and/or fundraising) within the company's domain and market multiples.

To evaluate Kvasir Education's equity value, we based our valuation on market benchmark approach.

4.2.1 Company Financial Overview

Kvasir Education (TLV: KVSR), founded in 2014, is a publicly traded Ed-Tech online learning content platform headquartered in Israel and has subsidiaries in the UK and the USA. Its team consists of about 90 members including full-time and part time employees (R&D, engineering, production, finance, and business), lecturers and consulsultants.

Its shares are listed for trading on the Tel Aviv Stock Exchange since February 28th, 2021 (TASE: KVSR), after raising about NIS 72 million net in an IPO led by Rosario Capital Ltd. The company's IPO post-money valuation was approx. NIS 242 million.

The company's main shareholders are Eytan Stibbe, Simi Efrati (Director- Co-Founder) and Itay Kopel (CEO-Co-Founder), Stibbe, Efrati and Koppel are the controlling stakeholders. Distribution of shareholdings includes 22.56% float, 14.08% institutional (mainly "Altshuler Shaham"), and 63.36% interested parties of which main shareholders are Optimus (a private company owned by Efrati Simi 63% and Itay Kopel 37%) 27.67%, Eytan Stibbe 23.84% and RAM-ON (TASE: RMN) 10.56%.

The company is in the initial stages of penetrating the UK and the US markets. According to the company's Q1 2021 financial statement, from 1/9/2020 to 23/5/20212, the company acquired approx. four thousand registrants. In addition to the mentioned registrants, the company distributes two of its basic courses through the Udemy platform, which approximately 1,000 users have purchased.

As of March 31, 2021, the company's share in cash was NIS 72.5 million with no debt and carried forward losses of NIS 23.8 million. The company revenue in 2021 first quarter was NIS 33K, compared to NIS 25K in 2020 corresponding quarter. The net loss in the 1st quarter was NIS 4.8M, compared to a loss of NIS 800K in 2020 corresponding quarter.

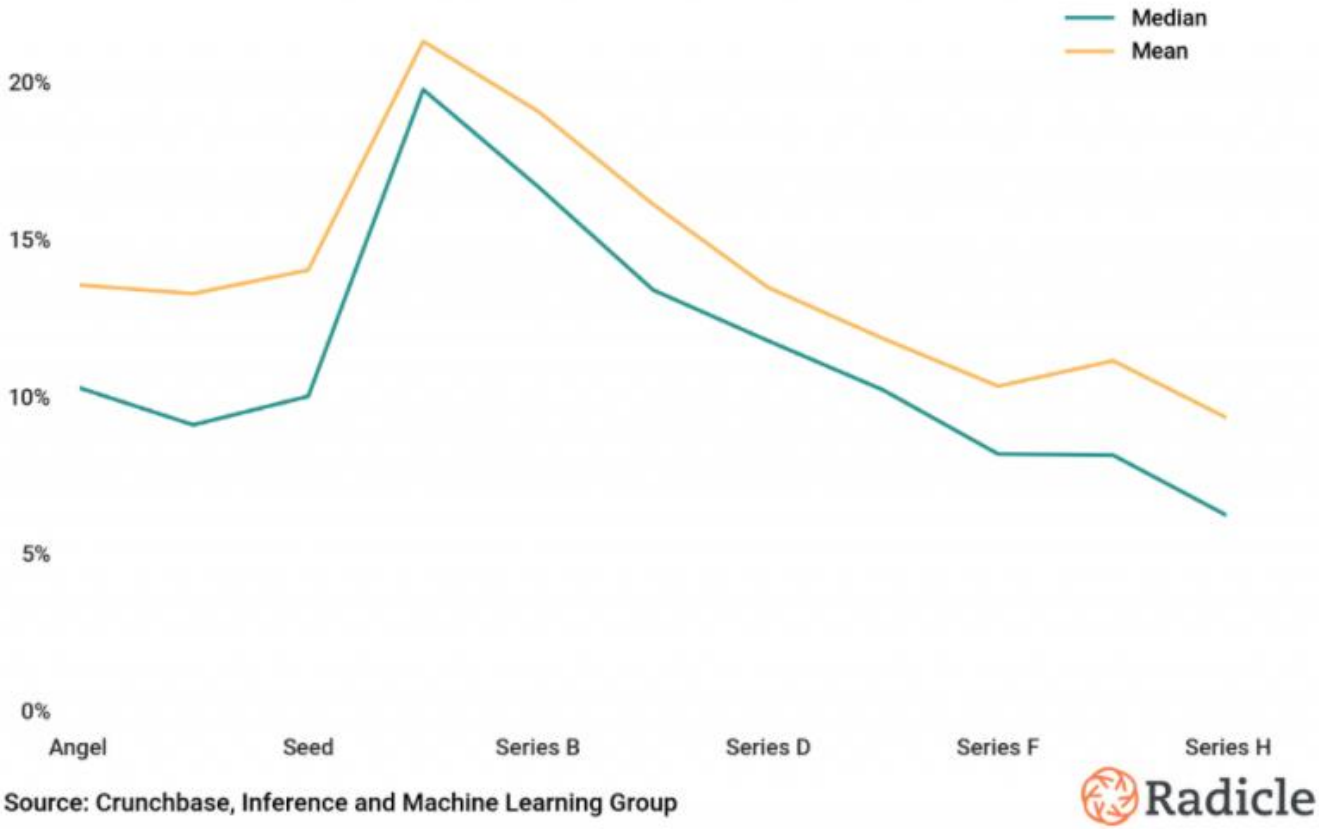
[2] The beginning of the academic year until the Q1 financial statement was released.

4.2.2 Recent deals as a valuation benchmark

Deals Size

We analyzed a database of approx. 1,250 EdTech deals occurred between January 2020 and March 2021, using data from Pitchbook, a financial database. We cleaned the data by removing errors and outliers. Lastly, we observed only deals classified as "Later Stage VC" companies to form a representative sample. We then calculated the average deal size of the mentioned sample to be $22.1M (N=199). A partial list can be found in appendix 1.

Figure: Percent Ownership Acquired by Stage[v] (2019)



Source: Crunchbase, Inference and Machine Learning Group

Radicle

In general, we find that the median percent of shares acquired by investors at Series C+, reflecting VC activity across numerous industries, is estimated between 5% to 15%.

To calculate the implied pre-money valuation of an average EdTech company, we assumed a more conservative standard of 10% to 15% equity share in late-stage fundraising rounds (C+).

Thus, we estimate the implied pre-money valuation of late-stage EdTech companies to be in the range of $147.3M to $221.0M.

Post-Money Valuation

We estimated Kvasir Education's post-money valuation based on similar competitors benchmarking (see appendix 2), using data from Pitchbook, a financial database. To form a representative sample, we modified the data by applying the following procedure:

1. We identified companies similar to Kvasir Education in their operating verticals/industries (EdTech companies).
2. We omitted companies in the initial stage (such as accelerator-, incubator-, angel-, seed- and early-stage companies).
3. We omitted companies that had post-money valuation higher than $500M or lesser than $10M.
4. We omitted outliers (5% margin).

The stages above add conservatively to our benchmark and provide a sample that reflects Kvasir Education's ecosystem.

Based on these companies' last known average valuation, we estimate Kvasir Education's equity value at $77.8 M (N=74). A partial list can be found in appendix 2.

Notable Deals

We present below another benchmark to Kvasir Education's equity value by exploring specific recent notable deals from the EdTech industry:

1. *Course Hero* – an online learning platform with study resources, raised on Aug 26, 2020, US$70 million from a Series B round, reflecting US$1.1 billion valuation.

2. *GoStudent* – a platform for online teaching and is the future of tutoring. The company raised US$244 million in a C-round, reflecting US$1.7 billion valuation for its online tutor market – techcrunch .

3. *17zuoye (NASDAQ: YQ)* – an online learning platform for K-12 students, as well as teachers, and parents. The company completed an E-round financing of US$250 million, led by Temasek Holdings and followed by CITIC Limited. After the E-round financing, it was valued over US$1 billion. The company valuation at its IPO (Dec 4, 2020) was US$4.9 billion.

4. *TAL Education Group (NYSE: TAL)* – a leading education and technology enterprise in China, raised US$3.3 from a Post-IPO Equity round (Dec 28, 2020).

5. *Chegg* – a student media learning platform offering services to universities and community colleges, announced on august 2020, that it proposes to offer US$750 million aggregate principal amount of convertible senior notes due 2026.

6. *Coursera (NYSE: COUR)* – an online education company that partners with universities and organizations to offer classes on their platform. The comapny raised US$520 milliom at its IPO (Mar 31, 2021), reflecting US$4.3 billion valuation.

7. *Udemy* - an online learning platform that helps students, companies, and governments gain the skills they need to reach their goals. According to Bloomberg, the could pursue an IPO this year, after raising a $50 million Series E in February 2020 and a $50 million Series F in November 2020.

8. *Douallingo* - an American language-learning website and mobile app, as well as a digital language proficiency assessment exam. On Nonbember 2020, the company raised US$35 million on a US$2.4 billion valuation.

4.3 Valuation summary

As discussed earlier, we see Kvasir Education as a growth firm. Thus, we based our valuation on current and future market trends and the company's management actions. Due to the high growth in the EdTech market and the uniqueness of its solution, we estimate the company is well-positioned to generate significant growth in the foreseeable future.

We conducted Kvasir Education's valuation using market benchmarks from recent deals. The company has 3,921,486 shares as of July 17, 2021; thus, in view of all aforementioned findings and assessments, we value the company's stock price target to be in the range of NIS 58.2 to NIS 71.2, and NIS 64.7 on average.

Appendix #.1: Similar Deals size Benchmarking Dataset

(50 observations presented)

Company Name	Deal Date	Deal Size (million, USD)	Employees	Company Country	Deal Type
Codemao	20-Nov-2020	195.38		China	Series D
VIPThink	09-Sep-2020	180.00		China	Series C
Coursera	20-Jul-2020	130.00	650	United States	Series F
Top Hat	04-Feb-2021	130.00	475	Canada	Series E
ApplyBoard	16-Sep-2020	129.22	400	Canada	Series C
Spark Education	28-Jul-2020	128.00	6,500	China	Series E1
Prodigy (Educational Software)	12-Jan-2021	124.47	380	Canada	Series B
17zuoye	26-Jun-2020	120.00	2,613	China	Series F
Eruditus Executive Education	31-Aug-2020	113.00	650	India	Series D
Jiliguala	18-Jan-2021	100.00		China	Series C
MasterClass	25-Jun-2020	100.00	250	United States	Series E
Newsela	25-Feb-2021	100.00	466	United States	Series D
Spark Education	12-Oct-2020	100.00	6,500	China	Series E2
Vedantu	16-Jul-2020	100.00	1,328	India	Series D
Vedantu	13-Feb-2020	85.50	1,177	India	Series C
Descomplica	18-Feb-2021	84.50	600	Brazil	Series E
Brainly	17-Dec-2020	81.00	130	Poland	Series D
Course Hero	26-Aug-2020	80.00	773	United States	Series B
Kaikeba	26-Aug-2020	79.01		China	Series A
Lambda School	05-Aug-2020	74.00	150	United States	Series C
Skillshare	10-Aug-2020	66.00	90	United States	Series D
Labster	10-Feb-2021	60.00	200	Denmark	Series C
Brightwheel	03-Feb-2021	55.00	148	United States	Series C
HOMER	16-Oct-2020	55.00	216	United States	Series C
Top Hat	04-Feb-2020	55.00	400	Canada	Series D
Bitwise Industries	17-Dec-2020	50.00	146	United States	Series B
Blocks Group	27-Nov-2020	49.78		China	Series A
Degreed	02-Nov-2020	47.60	400	United States	
Toppr	29-Jul-2020	46.57	300	India	Series D
Outschool	18-Sep-2020	45.00	60	United States	Series B
Riiid!	23-Jul-2020	41.80		South Korea	
Cuemath	07-Dec-2020	40.03	1,328	India	Series C
Codecademy	23-Feb-2021	40.00	342	United States	Series D
GO1	18-May-2020	40.00	278	Australia	Series C
Leleketang	16-Sep-2020	40.00		China	Series C
Meishubao	10-Feb-2021	40.00		China	Series D1
Meishubao	08-Jul-2020	40.00		China	Series C2
Codemao	17-Apr-2020	35.31		China	Series C1
Duolingo	18-Nov-2020	35.00	350	United States	Series H
Speakaboos	18-Oct-2020	33.65	8	United States	Series C
Skilljar	06-Oct-2020	33.00	105	United States	Series B
Springboard (Online school)	05-Aug-2020	31.00	200	United States	Series B
ClassDojo	27-Jan-2021	30.00	111	United States	Series D
Ivy Dad	12-Jan-2021	30.00		China	Series B
Quizlet	13-May-2020	30.00	200	United States	Series C
Spark Education	20-Apr-2020	30.00	6,500	China	Series D1
PresenceLearning	19-May-2020	26.98	107	United States	Series D
CodeSignal	08-Dec-2020	25.00	50	United States	Series B
Photomath	18-Feb-2021	23.00	257	United States	Series B
Xueba100	01-Mar-2020	22.70		China	

Appendix #.2: Post-Money Valuation Benchmarking Dataset

(50 observations presented)

Company Name	Deal Date	Deal Size (million, USD)	Company Post Valuation (million, USD)	Employees	Deal Type
WhiteHat Jr	06-Aug-2020	300.00	300.00	3,000	
Lambda School	05-Aug-2020	74.00	260.00	150	Series C
Teachable	16-Mar-2020	250.00	250.00		
Speakaboos	18-Oct-2020	33.65	233.65	8	Series C
Global Knowledge Training	13-Oct-2020	233.00	233.00		
Jiean Hi-Tech	22-Jun-2020	57.28	229.10	531	
Noodle Partners	16-Nov-2020	14.66	224.98	235	Series B1
Mintra Group	05-Oct-2020	97.51	195.41	106	PIPE
Outschool	18-Sep-2020	45.00	188.22	60	Series B
Skilljar	06-Oct-2020	33.00	175.00	105	Series B
Cuemath	07-Dec-2020	40.03	170.42	1,328	Series C
Galvanize (Education and Training Services)	27-Jan-2020	165.00	165.00		
Lessonly	11-Mar-2020	22.00	142.00	300	Series C
Ellevation	07-Apr-2020	15.20	117.20	121	Series B1
Mathway	04-Jun-2020	115.96	115.96		
Eleva Educação (Editora Eleva Platform)	23-Feb-2021	107.27	107.27		Asset Acquisition
Cluey Learning	09-Dec-2020	22.11	105.34	85	
Amesite	25-Sep-2020	15.00	101.62	11	
Snapask	25-Feb-2020	10.00	100.00	100	Series B1
Squla	24-Dec-2020	96.83	96.83	70	Secondary Buyout
Sparx	01-Dec-2020	9.46	95.92	93	
Fclassroom	02-Dec-2020	8.00	83.11		
RedShelf	20-Aug-2020	10.30	75.30	109	Series C
TITAN School Solutions	10-Nov-2020	75.00	75.00		
CodeSignal	08-Dec-2020	25.00	75.00	50	Series B
WorkRamp	09-Dec-2020	17.00	71.00	37	Series B
MedCerts	17-Nov-2020	70.00	70.00		
FightCamp	31-Jul-2020	20.00	70.00	36	Series A
Enuma	18-May-2020	9.00	69.00		Series B
PresenceLearning	19-May-2020	26.98	66.98	107	Series D
ISDI	04-Aug-2020	40.30	57.57		
AdmitHub	06-Apr-2020	16.00	56.00	50	Series B
Lingokids	26-Mar-2020	10.10	55.10	65	Series B
getBridge	15-Feb-2021	50.00	50.00		
Totara Learning Solutions	03-Jun-2020	50.00	50.00		
Amplifire	30-Jun-2020	1.75	47.64	63	Series E1
Preply	29-Mar-2020	10.00	47.50	125	Series A
Trident University International	02-Mar-2020	43.87	43.87		
Sketchy	02-Dec-2020	3.00	40.00	49	
Abintegro	02-Dec-2020	39.68	39.68	40	
Speexx	30-Oct-2020	5.89	34.84	335	
Pickatale	02-Jul-2020	12.53	34.46	80	Series A
MyTutor	16-Jun-2020	4.89	32.69	50	
Drops(Educational Software)	23-Nov-2020	31.00	31.00	21	
EdApp	15-Sep-2020	29.68	29.68		
IC Axon	25-Sep-2020	28.00	28.00	90	
CareAcademy	11-Jun-2020	9.50	26.50	45	Series A
CodeCombat	31-Jul-2020	1.21	26.21	41	
CoGrammar	19-Feb-2021	2.75	25.86	15	
Smart Sparrow	16-Jan-2020	25.00	25.00		

Appendix #.3: About Frost & Sullivan

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For further inquiries, please contact our lead analyst:

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Appendix #.4: Team Biographies

Dr. Tiran Rothman is the head of Frost & Sullivan Research & Consulting Ltd., a subsidiary of Frost & Sullivan in Israel. He has over 10 years of experience in research and economic analysis of capital and private markets, obtained through positions at a boutique office for economic valuations, as chief economist at the AMPAL group, and as co-founder and analyst at Bioassociate Biotech Consulting. Dr. Rothman also serves as the Economics & Management School Head at Wizo Academic College (Haifa). Tiran holds a PhD (Economics), MBA (Finance), and was a visiting scholar at Stern Business School, NYU.

Almog Josef Sokolik is an Analyst and Consultant at Frost & Sullivan Research & Consulting Ltd., a subsidiary of Frost & Sullivan in Israel. He has experience in the valuation of public and private firms, research and market analysis obtained through positions at the Ministry of Finance - Department of the Chief Economist, and Ben-Gurion University - Laboratory for Judgment & Decision Making as a research analyst. Almog holds a BA in Economics and Psychology.

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Endnotes

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