

Acelero Learning Inc.

Boston Community Venture Fund
Investment Recommendation Overview

Acelero Learning

- Provides management support to the Head Start market
 - Web-based product platform
 - Regionally organized staffing
- Multi-year contracts (\$85,000/year base price)
- Currently 6 contracts
- Profitable since first year of operation in 2003
- Management with experience both in business and education
- Seeking \$250,000 to increase hires

The Head Start Market

- Founded in 1965
- Currently receives \$7 billion in federal funding each year through Department of HHS
- Aimed at providing early childhood education and social services to low income (annual income of \$17,650 for family of four) children and their families
- Serves approximately 900,000 children each year
- Demonstrated effectiveness in preparing low income children for school
- Strong bipartisan support
- Increasing focus on performance metrics

Why buy from Acelero?

- Improve compliance reporting
- Demonstrate program performance
- Access to research-based curriculums
- Turn-key solution for finance, student tracking, daily planner
- Assist in budgeting and RFP preparation

Acelero Customers

- Immediate opportunities
 - Approximately 500 HS Centers each year has serious compliance issues
 - One year period to correct or face automatic RFP for new grantee
- Longer-term opportunities
 - HS programs increasingly evaluated based on performance metrics
 - Acelero's product allows for easy program validation
 - Outsource back office operations

Investment Opportunity

- Very high social return
 - Expects to serve 16,500 low income children and their families by 2009
 - Model of social entrepreneurship
- Very good financial return
 - 12% senior note due in 4 years
 - Warrants for 6.4% of the company
 - Potential acquisition by larger for-profit early childcare company