

Strategic Funding Memorandum



Ascension Hive

I. EXECUTIVE SUMMARY

Ascension Hive is a parent-governed, AI-mentored education platform that operates as a fully grant-funded service. This \$250,000 senior secured facility provides the runway for the first 200 pods while the model self-funds hardware through annual ESA grant collections.

The Hive retains 100% title ownership of all classroom hardware. Pods pay an annual fee of \$9,800 (paid directly from state ESA grants — zero out-of-pocket for parents).

II. PER-POD ECONOMICS (UPDATED 2026)

Item	Amount
Annual fee (paid from ESA grants)	\$9,800
Parents allocate per child	\$980.00
Hardware + delivery + install	\$4,280 (one-time)
Revenue collection	Annual, upfront
Working capital	Negative from Month 1

Cash Flow Note:

The first 50 pods generate \$490,000 in upfront cash, fully covering the \$250k loan before Month 7. Hardware is self-funding via supplier terms and grant velocity.



III. ASSET-BACKED SECURITY: 920% COLLATERALIZATION

This facility is Senior Secured with a first-priority lien on:

- Hive MasterMind IP
- Entire physical hardware fleet (retail replacement value)

For the initial 200-pod deployment:

- Factory cost collateral: \$398,000
- Retail liquidation value: \$1,355,000
- LTV = 18.5% (every \$1 of debt is backed by \$5.42 of liquid hardware)

IV. REPAYMENT & CASH VELOCITY

The \$250k principal is 100% cash-collateralized by the first 50 pods (\$490k annual upfront collections).

- 6-month grace period → repayments begin Month 7 at \$55,555 per month.
- Even at 50% of target growth, hardware collateral reaches \$3.2M and annual recurring revenue exceeds \$4.9M by end of Year 1.



V. MONTHLY COMPOUNDING SECURITY

After launch, the lender's position strengthens automatically every month:

- New hardware deployed: 100+ pods
- Collateral increase (factory cost): +\$400,000+
- Recurring revenue added: +\$980,000+ annually

VI. CUMULATIVE COLLATERAL & REVENUE TABLE @ JUST 50% OF TARGET

Time	Cumulative Pods	Hardware Collateral (Factory Cost)	Annual Recurring Revenue
Month 7	300	\$1,200,000	\$2.94M
Month 12	800	\$3,200,000	\$7.84M

VII. SCHEDULE A: PHASE 1 (200 POD) AGGREGATE EXHIBIT

Financial Metric	Per Pod	Phase 1 Total (200 Pods)
Annual fee (ESA grants)	\$9,800	\$1,960,000
Hardware + delivery + install	-\$4,280	-\$856,000
Initial net position	+\$5,520	+\$1,104,000
Retail asset value (lien base)	\$23,000	\$4,600,000



VIII. USE OF FUNDS

The \$250k facility is not for hardware (hardware is self-funding). It is runway capital only.

Allocation	Amount
Salaries (core team)	\$84,000
Rent & utilities (Chiang Mai HQ)	\$42,000
Software & AI integrations	\$32,000
Legal & compliance	\$22,000
Linda Lee Podcast Tour	\$20,000
Contingency buffer (20%)	\$50,000
TOTAL	\$250,000



IX. LENDER UPSIDE SUMMARY

Component	Terms
Fixed Return	300% (\$750,000 total repayment)
Security	First-lien on IP + growing hardware fleet
Collateral (Month 12, factory cost)	\$3.2M
Term	24 months
Grace Period	6 months
Status	Senior Secured Creditor (paid before founders, staff, or expansion)

Why this return?

We priced the fixed return to properly reward the risk of backing a pre-revenue founder team executing a new education model. Equity remains expensive — it belongs to the builders and the Ascension Hive Trust.

Confidential

Provided to qualified investors only.

