MyStar

INVESTOR BRIEF — CONFIDENTIAL

SEED Round 2026

A profitable two-school music education business in Milan, raising to expand to five new EU cities and ship the platform that scales it.

ROUND

€1M for 30%

VEHICLE

MyStar Holding AG

CLOSING TARGET

June 2026

DATE

May 2026

CONTENTS

What this document covers

01 — THE DEAL

The Ask

€1M for 30% of MyStar Holding AG. Closing June 2026.

RAISE	EQUITY	PRE-MONEY	POST-MONEY
€1.0M	30%	€2.33M	€3.33M
Closing June 2026	SEED investor stake	Negotiated valuation	Including new capital

Cap table

SHAREHOLDER	TODAY (DRUM CLASS SRL)	POST-SEED (HOLDING AG)
Founder 1	43%	30%
Founder 2	43%	30%
Founder 3	14%	10%
SEED Investor	**—**	**30%**
Total	**100%**	**100%**

Capital deployment timeline

ROUND	YEAR	RAISE	PRE-MONEY	USE OF FUNDS
SEED (current)	**Jun 2026**	**€1M**	**€2.33M**	**Open 5 cities + platform**
Series A	2030	€10M	€25M	20 new schools (post-stabilization)
Series B / Exit	2033	—	€60–100M EV	Hold to exit or strategic sale

VEHICLE

The SEED investor takes 30% in **MyStar Holding AG (Zürich, Switzerland)**, newly incorporated for the SEED close. Holding owns Drum Class SRL (Milano) and each new city subsidiary as it opens. Corporate isolation per jurisdiction; profit consolidation at holding.

02 — THE DEAL

Company Snapshot

Where we stand in May 2026 – bank-verified, deduped, audited.

TOTAL STUDENTS

601

In CRM (paying + free trials)

PAYING CLIENTS

577

All-time across 27 months

MATURED COHORT

466

Used for retention & LTV math

OPERATING HISTORY

27 mo

Jan 2024 to Mar 2026

SCHOOLS LIVE

2

Milano Sesto + Milano Isola

TOTAL COLLECTED

€430k

Bank-verified, all-time

What this means

Two years of real operating data – not projections, not assumptions. Every revenue number traces back to **three bank accounts** with over 2,000 transactions reconciled. Every student traces back to a deduped, phone-verified contract record.

The **466 matured cohort** is the population we use for retention, LTV, and unit-economics math. We exclude the 2026 cohort because only a few months have elapsed – not enough to measure full continuation. This conservative approach is what makes our LTV credible with sophisticated investors.

OPERATING ENTITY TODAY

Drum Class SRL (Milano, Italy). Brand: **MyStar Music**. All historical data lives here. At SEED close, ownership transfers up to MyStar Holding AG (Zürich).

03 — THE NUMBERS

Historical Financials

Bank-verified P&L for 2024, 2025, and Q1 2026.

Every euro tied to a real bank transaction. Operational P&L excludes founder draws (Liaison + FunDrums consulting / royalty contracts and pre-Holding personal expenses), which are **profit distributions to founders**, not company expenses. F24 tax catch-up and SEPA bank fees are shown separately below EBITDA.

Operational P&L

YEAR	BANK INCOME	CASH	REVENUE	OP. EXPENSES	EBITDA	NET PROFIT
2024	€172,657	€18,581	€191,238	€114,960	+€76,278	+€59,375
2025	€185,136	€9,762	€194,898	€124,212	+€70,686	+€41,631
2026 Q1	€43,020	€950	€43,970	€49,368	−€5,398	−€9,778
TOTAL	**€400,813**	**€29,293**	**€430,106**	**€288,540**	**+€141,566**	**+€91,228**

EBITDA → Net Profit reconciliation

PERIOD	EBITDA	F24 (TAX CATCH-UP)	SEPA FEES	NET PROFIT
2024	+€76,278	−€16,658	−€245	+€59,375
2025	+€70,686	−€20,408	−€8,647	+€41,631
Q1 2026	−€5,398	−€1,287	−€3,093	−€9,778
TOTAL	**+€141,566**	**−€38,353**	**−€11,985**	**+€91,228**

Founder draws – the legal cash extraction mechanism

Drum Class SRL historically distributed founder compensation through two partner-entity channels, both fully legal and tax-optimised under the single-entity Italian structure:

— **Liaison consulting fees** – CEO performed software development, analytics, platform and app work for Drum Class through Liaison. These were paid as consulting invoices, functioning as CEO dividends through a service contract.

- **FunDrums royalty fees** – CFO performed management and analytics work through FunDrums. Paid as royalty fees, functioning as CFO dividends through a royalty contract.
- **Founder personal pre-Holding** – small personal expenses run through the company before the Holding AG structure was set up.

These are **not operational expenses**; they are founder profit distributions. The bank statements show them because they are real cash outflows, but the operational P&L correctly excludes them. Under the post-SEED Holding AG framework, all founder compensation moves to direct payroll with proper employment tax, with the new line item built into the 2026–2029 OPEX projection.

Compass financing – clarification

€56,248 received via **Compass Banca SpA** is real operational revenue, not a loan. Compass is a third-party financer that pays Drum Class up front when a student elects to spread their payment over installments. Drum Class is the merchant; Compass collects from the student. We count this as revenue because the cash is irrevocably ours from the moment Compass disburses.

> *Internal transfers between Drum Class accounts (BlackCat, Qonto, UniCredit) are excluded from operational P&L. Bank gross including transfers is €513,184; operational bank income (without transfers) is €400,813. All numbers tie back to Finance Model v14.*

04 — THE NUMBERS

Unit Economics

What one student is worth – and what it costs to acquire one.

AVG LTV	MEDIAN LTV	CONTINUATION	LTV / CAC
€696	**€750**	**53%**	**12.2x**
577 paying, deduped by phone	Half pay more, half less	Monthly payment continuation	Weighted across all channels

Headline metrics – 2024 to 2025 cohort

Total revenue 2024 + 2025	€386,000
Contracts analysed (deduped by phone)	466
First payment AOV – Meta channel	€383
First payment AOV – Direct / Organic / Website	€453
Meta CAC payback	**First payment (€383 > €72 CAC)**
LTV multiplier (€1 first → total)	1.92x
Mean tenure (multi-payers)	3.4 mo
Lesson-based monthly retention	52%
Lesson utilization	67%
One-and-done rate	35%
Peak active students (single school, Nov 2025)	94

LTV by package

> *Source: Contratti (payment ledger) joined with Unificato (package field), N = 514 paying contracts. Sub-variants of the same duration grouped together (e.g., 6m2h + 6m1h + 6 mesi all roll up to "6 months").*

PACKAGE	N	AVG LTV	MEDIAN	% OF PAYING
6 months (flagship)	**153**	**€1,519**	**€1,500**	**29.8%**

PACKAGE	N	AVG LTV	MEDIAN	% OF PAYING
3 months	124	€856	€906	24.1%
1 month	196	€365	€350	38.1%
Other multi-month (2 / 4 / 5 mo)	16	€802	€870	3.1%
Trial / single lessons	24	€414	€250	4.7%
Other / unspecified	1	€230	–	0.2%
Total	**514**	**€842**	**–**	**100%**

Channel economics – verified May 2026

> *Cohort: paying clients with valid acquisition channel (577 total).*

CHANNEL	STUDENTS	CAC	AVG LTV	LTV/CAC	MONTHLY RETENTION
Meta Ads	452	€72	€675	9.4x	56%
Direct / Referral	**73**	**€0**	**€917**	**∞**	**75.4%**
Website	25	€0	€611	∞	64%
Organic (manual)	25	€0	€564	∞	–
Weighted total	**577**	**€57**	**€696**	**12.2x**	**–**

HIDDEN IN THIS TABLE

Direct & Referral channel already retains at 75.4% monthly – proof that we can reach app-grade retention when expectation and channel are aligned. This is the foundation of the retention thesis.

05 — THE NUMBERS

The Retention Thesis

The single most important number in this entire deal.

Going from 53% continuation today to 85% by 2029 is not a fantasy – every reference business in adjacent verticals has done it once they shipped a community app. The whole SEED budget exists to fund that one transformation.

Where we are today (matured 2024–2025)

CHANNEL / SEGMENT	MONTHLY RETENTION	NOTE
Overall lesson-based	52%	Excluding summer (Jul–Aug) average
Continuation rate (payment-to-payment)	53%	59% in 2024, 45% in 2025
Direct / Referral channel	**75.4%**	**Proof point – already at app-grade**
Meta Ads channel	56%	Where the retention gap lives
Website channel	64%	Mid-tier

Forward retention curve

YEAR	FORWARD RETENTION	LOGIC
2026	70%	Admin panel + first cohort using app prototype
2027	75%	Full app launched, all 5 schools live
2028	80%	Mature app, community network effects
2029	**85%**	**Industry-benchmark for offline + app education**

Industry benchmarks – what 85% looks like

COMPARABLE	WITHOUT APP	WITH APP
Peloton (fitness subscriptions)	~40%	92% annual
MasterClass	~55%	78%

COMPARABLE	WITHOUT APP	WITH APP
Babbel (language learning)	~50%	85%
CrossFit affiliates (offline + app)	~60%	88%
Boxing / martial arts schools	~55%	85%
MyStar 2029 target	**52% (today)**	**85%**

Sensitivity – revenue at the same CAC

CONTINUATION	AVG PAYMENTS	AVG LTV	REVENUE / 100 CONTRACTS	Δ VS BASELINE
45% (2025 alone)	1.8	€913	€91k	−14%
53% (CURRENT BASELINE)	2.1	€1,061	€106K	BASELINE
65% (early app effect)	2.9	€1,564	€156k	+47%
75% (mature app)	4.0	€2,221	€222k	+109%
85% (target by 2029)	**6.7**	**€4,001**	**€400k**	**+277%**

THE SEED THESIS IN ONE NUMBER

53% → 85% retention = 4x revenue per cohort at the same CAC. Every euro of the €1M raise is structured to drive this single transformation.

06 — THE NUMBERS

Channel Mix

Where the 575 channel-attributed students came from – May 2026 snapshot.

CHANNEL	STUDENTS	SHARE	TOTAL REVENUE	AVG PER STUDENT
Meta Ads	452	78.3%	€304,896	€675
Direct / Referral	73	12.7%	€66,950	€917
Website	25	4.3%	€15,282	€611
Organic (manual)	25	4.3%	€14,092	€564
Total	**575**	**100%**	**€401,220**	**€697**

WHAT THIS TELLS INVESTORS

We are **78.3% dependent on a single channel** (Meta Ads) – a real risk. The mitigation: Direct/Referral has grown organically without effort and retains at 75%. Series A budget includes Google Ads launch and channel diversification. We are not hiding this concentration; we are showing investors how we plan to fix it.

07 — THE PLAN

5-City Expansion

All five new cities open within 12 months of SEED close.

CITY	OPENS	OPERATING	SUBSCRIPTION	MONTHLY OPEX	OPENING COST
Milano Sesto	existing	✓	€230	–	–
Milano Isola	Feb 2026	Jun 2026 (100%)	€230	–	–
NEW CITIES (POST-SEED)					
Vienna	Q4 2026	Q4 2026	€280	€11,550	€130,450
Munich	2026	2027	€250	€11,709	€136,050
Zurich	**2026**	**2027**	**€450**	**€17,566**	**€145,500**
Copenhagen	2027	2027	€320	€13,209	€132,400
Amsterdam	2027	2027	€250	€11,925	€130,100

WHY THESE 5 CITIES

All 5 are in the EU + Switzerland – single VAT regime (mostly), shared logistics patterns, founder travel doable in a day. Each city's pricing is benchmarked to local premium music education (Zurich is intentionally premium-positioned). Each opening follows the same playbook proven in Milano: lease, build-out, soundproofing, teacher hire, Meta Ads ramp, Direct/Referral kicks in by month 4.

08 — THE PLAN

Use of Funds

€1,000,000 SEED, allocated 67.5% cities / 15% software / 17.5% travel + holding + buffer.

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5 CITIES SETUP

€675k

67.5% – CAPEX + launch OPEX + reserve

SOFTWARE / PLATFORM

€150k

15.0% – App, dashboards, dev team

HOLDING + TRAVEL + BUFFER

€175k

17.5% – Setup + founder travel + force majeure

Allocation detail

BUCKET	AMOUNT	%	WHAT IT COVERS
5 cities setup	€674,550	67.5%	Opening CAPEX (renovation, equipment, legal, 3-month rent deposit) + 4-month launch OPEX + per-city reserve
Software / platform / app	€150,000	15.0%	Student app, admin panel, attribution platform, dev team — built in-house
Founder travel launch	€68,030	6.8%	CEO, CFO, COO travel during 2026-2027 setup phase (flights, accommodation, transport, per-diem)
Holding setup	€13,500	1.4%	MyStar Holding AG registration, notary, shareholders agreement, UBS account
Force majeure buffer	€93,920	9.4%	Unallocated contingency reserve for unforeseen costs across all categories
TOTAL	**€1,000,000**	**100%**	

> *Per-city opening cost averages **€134,910** (range €130k to €146k depending on local rent + soundproofing complexity), broken down as Opening CAPEX (~€77k average) + 4-month launch OPEX ramp (~€48k average) + €10k city-level reserve. The €150k software allocation funds in-house development of the student app, admin dashboards, and attribution platform — assets that scale across all schools without recurring third-party SaaS fees.*

09 — THE PLAN

Financial Projection

Revenue and EBITDA, 2024 actuals through 2029 forecast.

Revenue & EBITDA, 2024 to 2029

YEAR	REVENUE	EBITDA	NET PROFIT	PHASE
2024 (A)	€191,238	+€76,278	+€59,375	Pre-app, single school
2025 (A)	€194,898	+€70,686	+€41,631	Investment year (platform + 2nd school)
2026 (E)	€287,365	−€249,816	−€249,816	SEED deployment, 3 cities opening
2027 (E)	€2,239,160	−€382,031	−€382,031	All 5 schools in ramp-up, CAPEX absorption
2028 (E)	**€4,397,128**	**+€1,144,066**	**+€1,144,066**	**Stabilization, 26% margin**
2029 (E)	**€5,812,404**	**+€1,920,461**	**+€1,920,461**	**Mature operations, 33% margin**

Investment phase narrative

2026 to 2027 EBITDA negative by design. Combined investment of €632k over 2 years to open 5 schools that compound to €1.92M EBITDA by 2029.

The U-shape: 2024–2025 small profitable single-school proof of model, 2026–2027 CAPEX valley as cities open in sequence, 2028–2029 multi-city subscription compound. This is exactly the trajectory of every successful multi-location offline business at scale.

Payback Waterfall

How the SEED investor recovers their €1M before exit math even starts.

Every month of positive net profit is split **40% investor / 10% directors / 50% retained** until the SEED investor recoups **€1M NET** (after 15% Swiss withholding tax). Modeled to land **November 2029**.

Cumulative payment to SEED investor (40% of net profit)

PERIOD	ANNUAL GROSS	ANNUAL NET (AFTER 15% WHT)
2027	€81,132	€68,962
2028	€457,626	€388,982
2029	**€686,639**	**€583,644**
TOTAL through Dec 2029	**€1,225,398**	**€1,041,588**

€1M NET RECOUPED

November 2029 – approximately 3.5 years from SEED close. The investor sees their full €1M back in cash before any valuation event. Everything after is upside.

After payback (December 2029 onwards)

Switches to standard **30% × 50% dividend pool** (pro-rata equity dividends):

— **50%** of net profit retained (operating capital + reinvestment)

— **50%** declared as dividend pool

— Of the dividend pool: **30%** goes to SEED investor (their equity stake), remainder distributed pro-rata among founders

11 — THE RETURNS

Valuation & Exit Scenarios

What the SEED investor's €1M turns into.

Direct exit at 2029 (3 EBITDA-multiple scenarios)

Based on EBITDA 2029 = **€1,920,461**:

SCENARIO	EBITDA ×	EV (2029)	INVESTOR 30%	+ NET DIVIDENDS	TOTAL	MOIC	IRR
Conservative	3x	€5.76M	€1.73M	€1.04M	€2.77M	2.77x	~33%
BASE	**5x**	**€9.60M**	**€2.88M**	**€1.04M**	**€3.92M**	**3.92x**	**~50%**
Bullish	7x	€13.44M	€4.03M	€1.04M	€5.07M	5.07x	~62%

Path A – Series A 2030 secondary (4-year hold)

If the investor sells some or all of their stake at our Series A round in 2030 (€10M raise at €25M pre-money for 20 new schools):

SUB-SCENARIO	SELLS	GROSS	AFTER 26% TAX	+ DIVIDENDS	TOTAL	MOIC	IRR
A1 – Quick exit	40%	€3.00M	€2.22M	€1.04M	€3.26M	3.26x	34.3%
A2 – Balanced (BASE)	**70%**	**€5.25M**	**€3.88M**	**€1.04M**	**€4.92M**	**4.92x**	**49.0%**
A3 – Maximum	100%	€7.50M	€5.55M	€1.04M	€6.59M	6.59x	60.3%

Path B – Hold to Series B 2033 (7-year hold)

SUB-SCENARIO	EXIT EV	FINAL STAKE	EXIT GROSS	AFTER TAX	TOTAL	MOIC	IRR
B1 – Conservative	€60M	~16%	€9.64M	€7.14M	€8.18M	8.18x	35.0%
B2 – Base	**€80M**	**~16%**	**€12.86M**	**€9.51M**	**€10.55M**	**10.55x**	**39.8%**
B3 – Strategic buyer	€100M	~16%	€16.07M	€11.89M	€12.93M	12.93x	43.7%

THE INVESTOR'S CHOICE

Path A base case: 4.92x / 49% IRR over 4 years. Path B base case: 10.55x / 39.8% IRR over 7 years. The €1M comes back in cash through dividends regardless. Equity upside on top.

Team & Holding Structure

Three founders. One holding company. Eight subsidiaries.

Founders

FOUNDER	ROLE	EQUITY (POST-SEED)	VESTED AT SEED CLOSE
CEO	Product, growth, strategy	30%	39.6%
CFO	Operations, finance, legal	30%	62.5%
COO	Day-to-day school operations	10%	25.0%
SEED Investor	**Observer + reporting rights**	**30%**	**100% (at close)**

Holding structure

```
MyStar Holding AG (Zürich, Switzerland)
├── Drum Class SRL (Milano, Italy)        — operating today
├── MyStar Sesto operations               — subsidiary school
├── MyStar Isola operations               — subsidiary school
├── MyStar Vienna GmbH                    — to incorporate Q3 2026
├── MyStar Munich GmbH                    — Q4 2026
├── MyStar Zurich AG                      — Q4 2026
├── MyStar Copenhagen ApS                 — Q1 2027
└── MyStar Amsterdam BV                   — Q1 2027
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Each city operates as its own subsidiary tied to the holding – **corporate isolation per jurisdiction, profit consolidation at holding level**. If one city has a regulatory issue, it does not reach the others. If one city is sold, it can be carved out cleanly.

Governance & Investor Rights

How decisions get made. What the investor can (and cannot) control.

Spending thresholds

AMOUNT	APPROVAL REQUIRED
< €5,000	Single founder
€5,000 – €25,000	Two founders
€25,000 – €50,000	All three founders
€50,000+	**Reserved matter, 75% shareholder vote**

Investor blocking rights

Reserved matters (sale, new equity round, major capex, change of control) require **75% shareholder vote**. Founders together hold 70%, so the investor's 30% is a **natural blocking stake** – fair protection without unilateral control.

Pre-emption / Tag-along / Drag-along

- **Pre-emption:** investor has standard pro-rata right to participate in future rounds (30-day notice).
- **Tag-along:** mutual, applies to all shareholders.
- **Drag-along:** 75% shareholder approval triggers drag of remaining 25%.

Reporting cadence

- **Quarterly board pack** – full financials, KPIs, strategic update.
- **Monthly flash KPI** – students, revenue, retention, channel mix.
- **Annual Swiss GAAP audit** – at holding level.
- **Real-time investor portal** – live dashboard.

Key Risks & Mitigations

What can go wrong, and what we have built against it.

RISK	MITIGATION
Single channel dependency (Meta = 78.3% of acquisition)	Google Ads launching 2026. Direct/Referral channel growing organically and already retains at 75%.
Retention assumption (70% → 85% curve)	Direct/Referral channel already retains at 75% today, proving we can hit it. App + admin panel deploy in 2026 to drive Meta-channel retention up.
5-city expansion execution	Vienna opens Q4 2026 first, proving the model before remaining 4 cities. Each subsequent city follows the same playbook.
Founder concentration (Italy-based ops)	Holding in Zürich = jurisdictional separation. Quarterly travel budgets locked into the model.
Currency risk (CHF / EUR / DKK)	Operating in EUR-zone primarily. Zurich CHF revenue hedged at city level. DKK is pegged to EUR within ±2.25% by Danish central bank.
CAPEX overrun risk (per-city build-out)	€93,920 force majeure buffer + €10k per-city reserves = combined €117k contingency. Each city's opening cost is contracted before deployment, with 10% built-in contingency.

THE HONEST VERSION

The biggest risk is retention not reaching 85%. Our entire margin story depends on it. We have structured the deal so the investor still gets their €1M back through dividends even if we hit only 70–75%. The upside above that is where they make 4 to 10x.

CLOSING

What you need to remember

The whole proposal in six numbers.

THE ASK

€1M for 30%

€3.33M post-money, MyStar Holding AG, Closing June 2026

THE THESIS

53% → 85%

Retention transformation = 4x revenue at same CAC

THE PLAN

5 cities in 12 months

Vienna, Munich, Zurich, Copenhagen, Amsterdam

THE CASH RETURN

€1M NET by Nov 2029

Through 40% dividend acceleration

THE EQUITY UPSIDE

4.92x base

Path A, Series A secondary 2030, 49% IRR

THE LONG HOLD

10.55x base

Path B, Series B 2033, 39.8% IRR

ONE-LINE SUMMARY

We are not asking for €1M to sustain 2 schools – we have 27 months of bank-verified data showing we already work. We are asking for €1M to turn one working school into five and turn 53% retention into 85%. The investor sees their €1M back in cash by 2029, then rides a 4 to 10x equity multiple on what is left.

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