MicroVentures

Company: PMG Learning Solutions

Market: Corporate training

Product: Custom learning solutions and software

Company Highlights

- The company generated revenues of $4.95 million in 2022 from customers such as Boeing and the FDA, representing a year-over-year increase of nearly 70%
- In addition to learning services, it launched a SaaS-based learning platform called Hermann in 2022 which has already gained six enterprise customers and generated revenues over $600,000 as of November 2023
- PMG applied for Authorization to Operate (ATO) within the U.S. Department of Defense (DoD) network in 2023, which, if approved, could clear Hermann for installation on DoD devices
- Since inception in 2014, PMG has primarily leveraged the revenue from its long-established service business to finance its day-to-day operations as well as the initial development of Hermann

WHY IT'S INTERESTING

How often have you learned something new only to forget it almost immediately? In response to this common dilemma, PMG Learning Solutions (PMG) has carved a niche within the $100 billion U.S. corporate training market. [i] Specializing in custom training programs that span classroom, e-learning, and micro-learning options, PMG's approach is aimed at helping the current shift towards digitization and evolving skill requirements in the workplace.[ii] Leveraging over twenty years of expertise in performance consulting and learning implementation, PMG's executives have navigated the competitive and challenging arenas of both commercial and government contracting to cater to clients like Boeing, the FDA, Medtronic, and Cerner. This achievement helps demonstrate PMG's high level of competence but also its ability to meet the stringent requirements often associated with government contracts and high-tech industrial giants.

In 2022, PMG took a significant leap forward with the launch of Hermann, an innovative Software-as-a-Service (SaaS) learning platform. Integrating artificial intelligence (AI) to incorporate spaced repetition and microlearning, Hermann is engineered to align with the accelerated adoption of digital technologies and the transformation of work environments highlighted by McKinsey's Future of Work report. Moreover, Hermann's adoption by organizations such as the U.S. Air Force and Edwards Lifesciences, along with generating over $600,000 in licensing and service revenues from August 2022 to November 2023, underscores PMG's role in shaping adaptable learning solutions. These solutions can be crucial in today's corporate landscape, where reskilling and flexible training methodologies are becoming the norm.[iii] In 2023, PMG began adding AI-powered features to the platform, the first of which are now live in the system, that are designed to allow Hermann to ingest existing training and automatically author questions and learning objectives for the platform.

Video/Pitch Deck

EXECUTIVE SNAPSHOT

PMG, an established provider of tailored learning and video production services, plans to broaden its scope with Hermann, an innovative AI-powered SaaS learning platform. This platform complements PMG's service offerings by combining micro-learning and spaced repetition training to enhance learner retention. With a strategic eye on the future, PMG is seeking to raise $1 million in Crowd Notes at a $9 million pre-money valuation cap, specifically to amplify its sales and marketing efforts for Hermann. The Company believes this fundraising effort is distinctive because it leverages the strength of PMG's well-established service business, which boasts nearly ten years of industry experience and robust financial health. This business has already financed the initial development and market testing of Hermann. The success in this area is now enabling the company to concentrate on expanding Hermann rather than focusing on growing its traditional service business.

PERKS

You are investing in a Crowd Note in this Offering. Perks are meant to be a thank you from the company for investing. The perk below is subject to <u>Regulation CF investment limits</u>.

- Investors that purchase the first 250,000 Crowd Notes, and thereby fund the first $250,000, will receive Crowd Notes with a conversion provision based on a $7.5 million pre-money valuation cap instead of an $9 million pre-money valuation cap.

COMPANY SUMMARY

Opportunity

At a time where U.S. training expenditures have surged past $100 billion, a paradox emerges in corporate learning. Despite sizeable investments in training, employees forget 50% of new information within an hour, and 70% within 24 hours, a phenomenon known as the forgetting curve.[iv] This highlights a significant inefficiency in traditional training methods. However, the power of spaced learning and microlearning may offer a silver lining. Spaced learning, which involves repeating knowledge at defined intervals, coupled with microlearning modules, can help transform extensive training programs into manageable, recurring sessions, effectively combating the forgetting curve, and enhancing long-term knowledge retention. It integrates interactive and real-world scenarios, like role-playing and simulations, linking theoretical knowledge with practical applications. Additionally, microlearning is designed to deliver information in concise segments – directly into the employee's workflow, with the goal of preventing mental exhaustion, maintaining learner engagement, and saving valuable time and money in the process.[v][vi]

Founded in 2014, PMG is responding to this challenge by incorporating spaced learning and microlearning into its training solutions and software. PMG's approach combines practical application scenarios with an immersive and interactive training methodology, aiming to blend theoretical knowledge with practical applications for potentially improved relevance and retention of the material. PMG's video solutions are designed to complement these offerings by providing customized video content, which makes complex subjects more accessible and engaging. Furthermore, its new AI-powered SaaS-based platform, Hermann, is engineered to elevate the learning experience by tailoring it to individual learner profiles, with the goal of optimizing training effectiveness. By integrating a variety of educational content, engaging video solutions, and AI-driven time-savings, cost-savings, and

personalization, PMG aims to effectively equip organizations with the tools needed to properly train their workforce for the 21st century.[vii]

Product

PMG offers a comprehensive suite of services tailored to meet the needs of various industries, including Learning and Video Solutions, as well as its new SaaS platform, Hermann. The company's Learning Solutions encompass a range of services, from performance consulting and bespoke content creation to effective implementation and learning impact assessment. Complementing these, the Video Solutions segment specializes in transforming various content into engaging video formats suited for diverse professional needs. Hermann, distinct in its approach, leverages AI and spaced repetition to facilitate microlearning within corporate environments. It integrates learning into daily work routines by delivering it directly to desktops, tablets, and smartphones, thereby offering a seamless and minimally disruptive learning experience. The smartphone option could be especially compelling for the legions of front-line workers in factories, warehouses, and the US military who don't typically have computers at work.

Learning Solutions

PMG's Learning Solutions offer a robust suite of services tailored to enhance organizational performance through strategic learning and development. The company's offerings are categorized into four main solutions, *Performance Consulting, Design and Development, Implementation, and Measurement,* each addressing different aspects of the learning lifecycle:

Performance Consulting: PMG provides expert analysis designed to drive the creation of effective learning solutions, including:

- **Curriculum Design:** Evaluating the need for new learning programs or the adaptation of existing ones.
- **Rapid Design:** Accelerating course design with a collaborative and focused approach.
- **Job/Skills Task Analysis:** Documenting the competencies required for job success.
- **Competency Models:** Crafting models that inform curriculum development and performance assessment.

Design and Development: This solution focuses on creating tailored learning content that incorporates PMG's extensive experience:

- **Blended Learning:** Combining online digital media with traditional classroom methods.
- **eLearning/Mobile Learning:** Developing web-based and mobile-friendly learning experiences.
- **Instructor-led Training:** Facilitating learning through traditional and virtual classrooms.
- **Business Simulations:** Offering immersive, scenario-based learning activities.
- **Video/Animations:** Enhancing learning with engaging multimedia content.
- **Performance Support Tools:** Providing on-the-job aids to reinforce learning.

Implementation: PMG assists in the practical application of learning strategies within an organization:

- **Facilitation Services:** Delivering classroom and virtual training sessions.
- **Train-the-Trainer:** Equipping internal trainers with the skills to teach others.
- **Translation and Globalization:** Adapting content for global audiences.

- **Learning Management Systems (LMS):** Integrating and consulting on LMS to track and optimize learning.

Measurement: To help ensure the impact of learning solutions, PMG employs rigorous evaluation methods:

- **Learning Effectiveness:** Applying the Kirkpatrick Levels of Evaluation to measure outcomes.
- **Return On Investment (ROI) Analysis:** Using the Phillips ROI Methodology to assess the financial return on learning investments.

Video Solutions

PMG's Video Solutions specialize in transforming a variety of content such as learning materials, communications, or marketing messages into engaging short videos. They cater to diverse needs like training, company overviews, pitches, and presentations, with the goal of ensuring a tailored fit for each client's story through talking heads, animation, or motion graphics with stock footage. PMG believes they stand out by crafting quality scripts, demanding minimal client involvement, offering cost-efficient solutions, and delivering projects swiftly, typically within three weeks.[viii]

Hermann

PMG's Hermann is a SaaS learning platform engineered to utilize AI to implement the principles of spaced repetition for educational purposes within corporate and government organizations. The platform is designed to facilitate the retention of information by delivering learning content in small, manageable segments known as microlearning. Hermann systematically presents this content at optimal intervals to reinforce knowledge retention, which is particularly beneficial for maintaining proficiency in areas that require frequent updates or adherence to new regulations. The platform can integrate into the user's workflow, providing a learning experience that aims to be both efficient and minimally disruptive. Hermann's core functionality supports the idea that continuous learning could be an integral part of the work process, enabling employees to stay informed and skilled without significant interruption to their daily tasks.

Hermann Videos

Core features and functionalities of Hermann include access and delivery, spaced repetition, microlearning, AI-powered Ingest & Author, tools and services, and dashboard and reporting.

<u>Access and Delivery</u>

- **Responsive Design:** Hermann is accessible across various devices and platforms thanks to its responsive design.
- **Cloud-Based Security:** As a secure cloud-based system, Hermann is designed for data safety and accessibility.
- **Branding:** Clients can customize the platform with their brand, creating a seamless user experience.
- **Content Integration:** The system can connect to existing LMS (Learning Management System), SharePoint, EPSS (Electronic Performance Support System), or other learning repositories for content integration.

Spaced Repetition

- **Timed Questions:** Hermann delivers questions tied to learning objectives at specific intervals, which can be customized to meet client needs.
- **Question Types:** It supports various question types, including single and multi-select multiple-choice, and scenario-based questions.
- **Multimedia Questions:** Questions can incorporate multimedia elements such as images, videos, audio, and PDFs to enrich the learning experience.

Microlearning

- **Feedback Mechanism:** Hermann uses microlearning as a feedback tool, offering concise content for both correct and incorrect answers to reinforce learning.
- **Duration:** These learning nuggets are designed to be short, typically under five minutes, to fit into busy schedules.
- **Media Formats:** The platform supports multiple media formats, including videos, animations, audio files, and PDFs, catering to different learning preferences.

- **Targeted Learning:** Microlearning content can be aligned with specific learning objectives to ensure relevance and effectiveness.

AI-Powered Ingest & Author

Ingest: Hermann's AI-powered Ingest feature allows Companies to use existing training material without having to recreate it or pay outside contractors to parse through existing training. The administrator merely feeds the existing training into Hermann's AI engine and it is designed to learn the training in a matter of seconds.

Author: Hermann can then automatically author the number of requested key learning objectives and associated questions and distractors – helping save the company time and money.
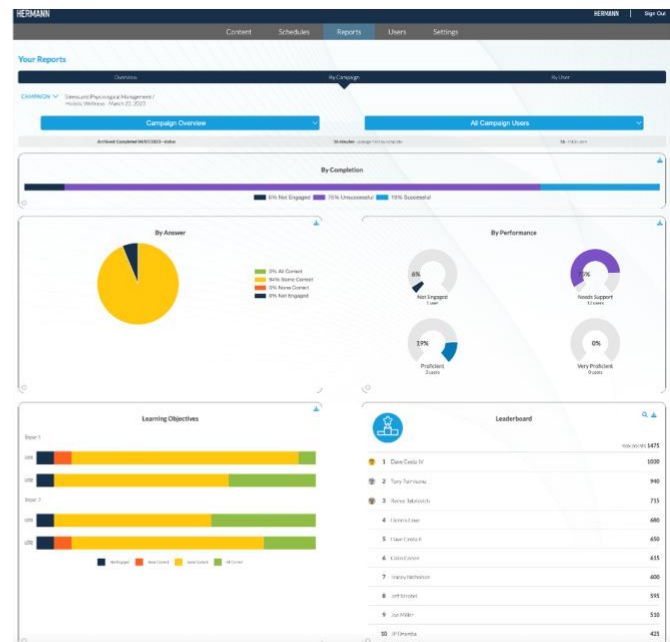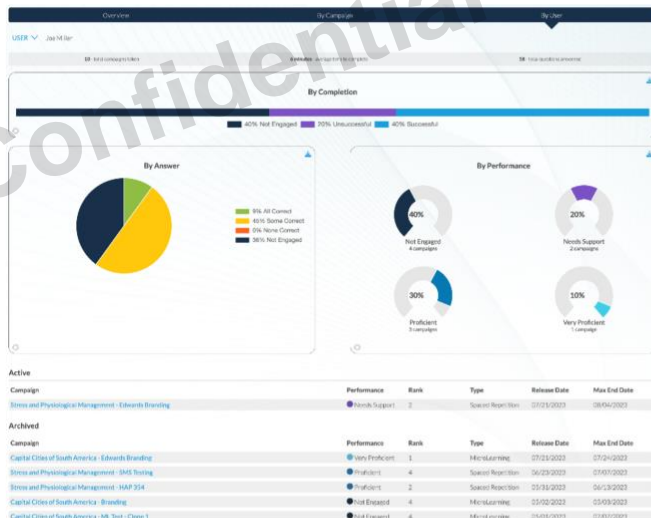

Tools and Services

- **Authoring Tools:** Hermann includes built-in tools and workflows for content creation, empowering clients' L&D teams to author their content or outsource it to PMG.
- **Learning Campaigns:** Past campaigns are archived and can be copied and edited, simplifying the creation of new learning initiatives.

Dashboard and Reporting

- **Proficiency Tracking:** Hermann provides detailed reports on proficiency levels, which can be categorized by team role, location, or other client-specific criteria.
- **Individual Proficiency:** It tracks proficiency at an individual level, allowing for personalized learning experiences and progress tracking.
- **Learning Objective Proficiency:** The platform breaks down proficiency by specific learning objectives, further detailed by team and individual performance.
- **Engagement Metrics:** Hermann measures learner engagement, providing insights into how users interact with the content.
- **Leaderboards:** To foster a competitive learning environment, leaderboards display performance comparisons by team and individuals.
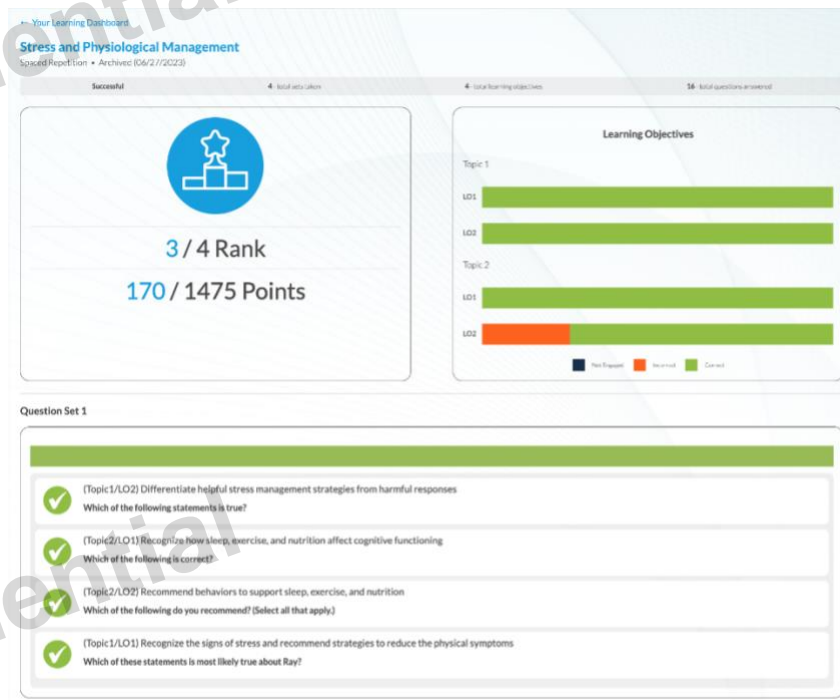
Use of Proceeds

If PMG raises the minimum ($22,750 net of fees), it intends to use all of the proceeds for its marketing budget. If it raises the maximum ($946,500 net of fees), it intends to use the proceeds as follows: *
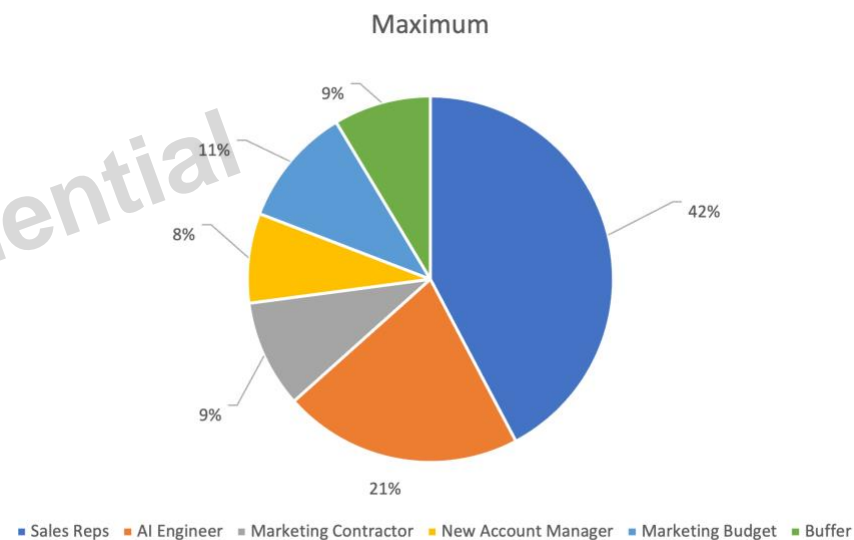

Maximum

- Sales Reps 42%
- AI Engineer 21%
- Marketing Contractor 9%
- New Account Manager 8%
- Marketing Budget 11%
- Buffer 9%

Percentages are rounded to the nearest whole number
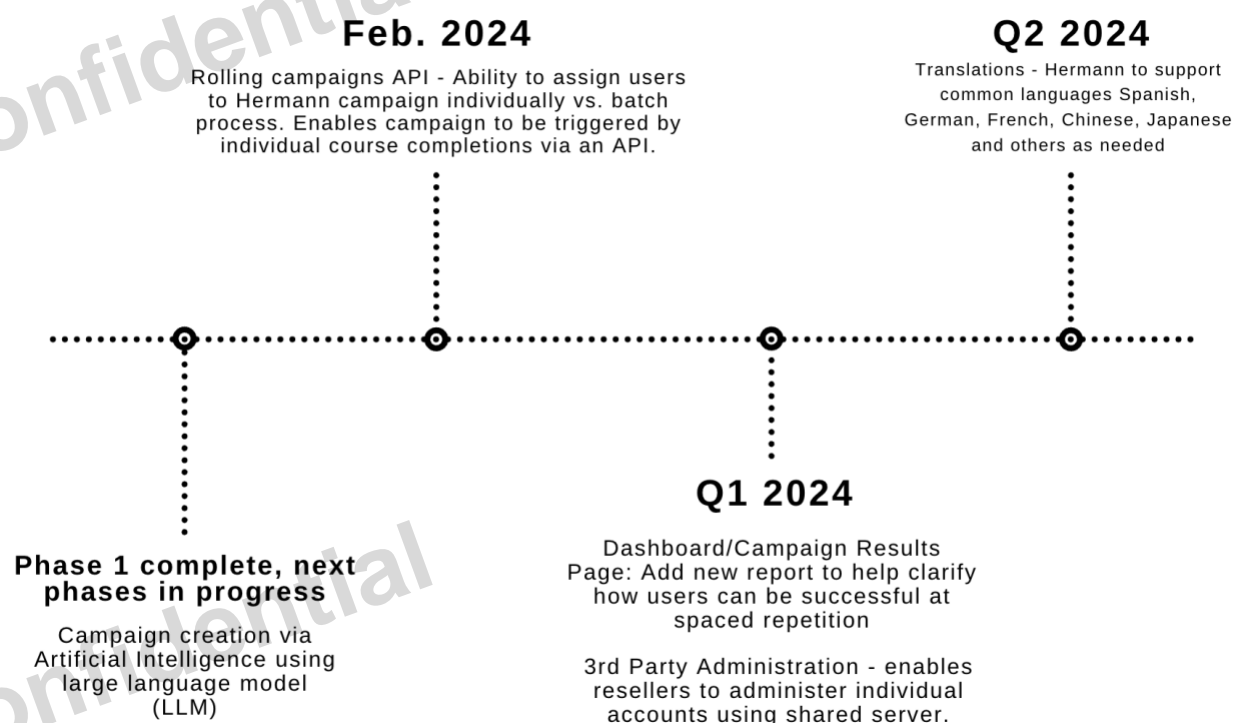
- **Sales Reps:** The company expects to hire three reps to help scale Hermann
- **AI Engineer:** The company anticipates hiring a new AI engineer to help further develop Hermann
- **Marketing Contractor:** The company plans to hire a marketing contactor to help promote Hermann
- **Account Manager:** The company aims to hire an account manager for handling Hermann account maintenance and growth
- **Marketing Budget:** The company plans to use its marketing budget for advertising, lead generation, promotions, and conferences
- **Buffer:** The company anticipates using a small portion of the proceeds as a buffer for any unexpected costs

Product Roadmap

PMG has laid out the following product roadmap for Hermann:

Feb. 2024

Rolling campaigns API - Ability to assign users to Hermann campaign individually vs. batch process. Enables campaign to be triggered by individual course completions via an API.

Q2 2024

Translations - Hermann to support common languages Spanish, German, French, Chinese, Japanese and others as needed

Q1 2024

Dashboard/Campaign Results Page: Add new report to help clarify how users can be successful at spaced repetition

3rd Party Administration - enables resellers to administer individual accounts using shared server.

Phase 1 complete, next phases in progress

Campaign creation via Artificial Intelligence using large language model (LLM)

Business Model

PMG generates revenue from two segments – its long-standing professional learning services and the recently developed SaaS-based learning platform, Hermann. While its services segment currently generates a majority of the company's revenues, it's strategically shifting its focus towards enhancing and scaling Hermann. This shift is underpinned by a solid foundation in delivering professional learning services, which have historically driven the company's revenue and are now helping to facilitate the transition towards a more SaaS-focused business model. According to the company, it plans to continue operating its service segment well into the future but is expected to not focus on growing it. Specific details of each segment are listed below.

Professional Learning Services

ILT & VILT (Instructor-Led Training & Virtual Instructor-Led Training)

- Medium Complexity: $4,600 - $5,500 per hour. Features include facilitator guide scripting, participant guide scripting with imagery from PPT, group activities, limited use of media elements, and level 1 and 2 assessments.
- High Complexity: $5,500 - $7,500 per hour. Includes comprehensive media elements like audio, video, animation, infographics, screen captures, and multiple page layouts.

WBT (Web-Based Training)

- Level 1 (Basic): $18,000 - $22,000 per hour. Uses standard development tools, minimal visual customization, text-based instruction, and self-check questions (price not specified in the quoted sections).
- Level 2 (Intermediate): $23,000 - $28,000 per hour. Incorporates client brand into a custom PMG framework, audio/text-based presentation, interactive elements, and basic graphical treatment.
- Level 3 (Advanced): $29,000 - $37,000 per hour. Adds more complex GUI customizations, medium complexity animations, more synchronized audio-visuals, and custom graphics/layouts.

Video Production

- Moderate Complexity Motion Graphic/Infographic Style Video: $2,500 - $3,000. Features script reviews, 508 compliance, voiceover, music, and MP4 file delivery.
- Moderate Complexity Interview Style Video: $1,000 - $2,500. Involves advanced scripting from interviews, full motion graphics, stock/custom video, voiceover, and music.
- Complex Animation and Custom Animation: $4,000 - $5,000. Includes script reviews, voiceover, music, 508 compliance, and delivery as MP4 file.
- 1-Day Video Shoot on Location: $4,500 per day. Includes equipment like HD cameras, boom microphones, and lighting, but not professional actors.

Documents

- Infographic: Up to 2-page infographic costs $2,650.
- Custom Documents: Job aids, tip sheets, checklists, knowledge maps, step action tables range from $1,250 to $2,150

Hermann

- **Base Package:** $25,000 for setup, onboarding, and licenses for up to 250 users
- **Additional Users:** $10 per additional user
- **Multiyear Contract Discounts:** 15% off for 2 years, 25% off for 3 years
- **Large Accounts:** Custom pricing for over 10,000 annual licenses
- **Customization Costs:** Separate pricing for advanced features like email integration, Single Sign On (SSO), LMS integration, custom reporting, or extensive branding
- **Training Sessions:** Includes up to two virtual training sessions
- **Content Authoring:** Charged separately on a case-by-case basis

Service Customers

Since 2014, PMG has provided learning and video solutions to large commercial and government organizations including Boeing, Edwards Lifesciences, Marsh & McLennan Companies, the Food and Drug Administration (FDA), Teachers Insurance and Annuity Association of America (TIAA), Medtronic, Marriot Vacations Worldwide, the U.S. Department of Veteran Affairs, AvidXchange, the Federal Aviation Administration (FAA), and Cerner, among others.

Hermann Customers

The company has leveraged its pre-existing relationships and industry knowledge to establish several notable customers for Hermann. Currently, Hermann has six customers including the Department of Navy (via KMPG), Boeing, Edwards Lifesciences, the U.S. Department of Veteran Affairs, the U.S. Air Force, TIAA, and FedLearn.

Government Authorization

PMG has applied for the following government authorizations:

- **Authorization to Operate (ATO) within the U.S. Department of Defense (DoD) network** – The company anticipates a decision in March 2024. If approved, Hermann could be cleared for installation on DoD devices.
- **General Services Administration (GSA) Authorization –** The company anticipates its application to be reviewed in March 2024. If approved, it could allow the company to be a prime contractor (work directly) with U.S. government agencies.

HISTORICAL FINANCIALS

PMG generated total revenues of $2.93 million in 2021, which were fully generated through its learning solutions. In 2022, the company reported total revenues of $4.95 million, $4.83 million of which were generated through its learning solutions. The other $117,135 (or 2%) in 2022 revenue was generated from Hermann, which launched in August 2022. Through November 2023, the company reported revenues of approximately $3.83 million, $500,000 (or 13%) of which were generated by Hermann. As the company continues to focus on growing Hermann, it anticipates in the future that a larger portion of its total revenue may come from Hermann.
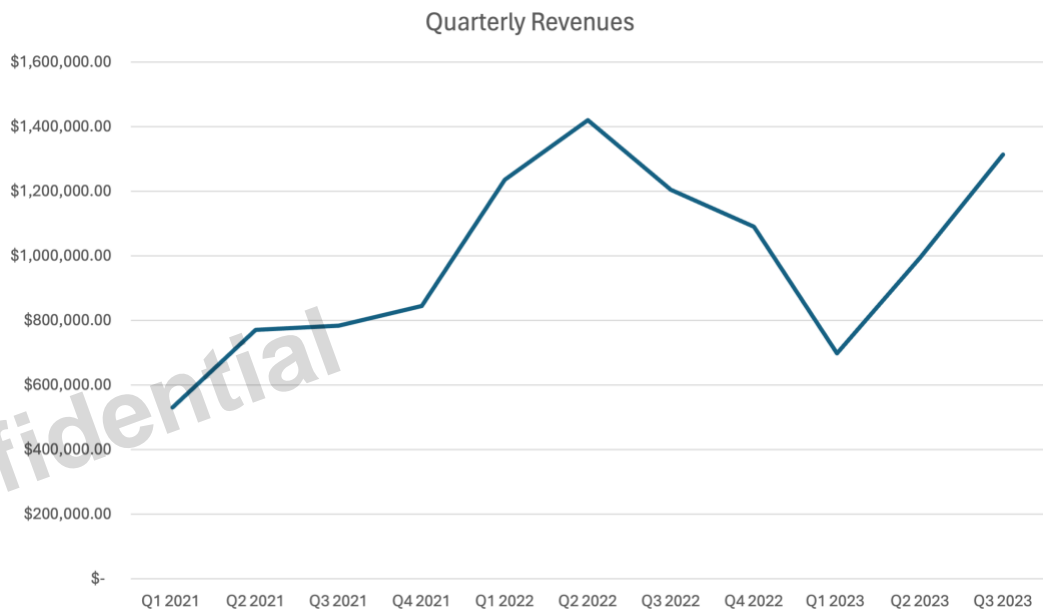
Quarterly Revenues

Through November 2023, PMG total expenses totaled approximately $2.10 million for the year, an increase of roughly 23% from the same time period in 2022. This increase was primarily due to the company's continuous focus on further developing, marketing, and scaling Hermann. In 2022, the company's operating expenses (OpEx) for the year were around $1.57 million, an increase of 62% from 2021's total OpEx of around $965,000. This increase was primarily due to rising general and aministrative (G&A) and research and development (R&D) costs associated with Hermann.

2023 Monthly Expenses
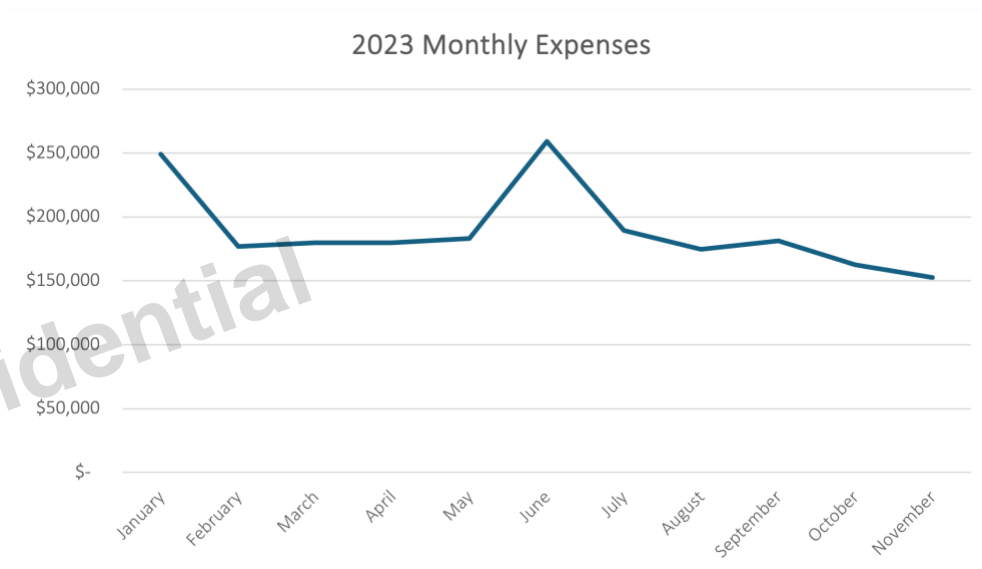
2022 OpEx Breakdown
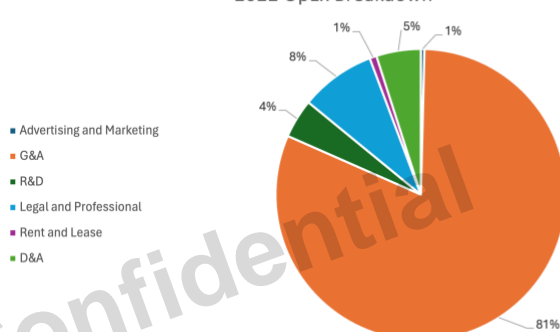
2021 OpEx Breakdown
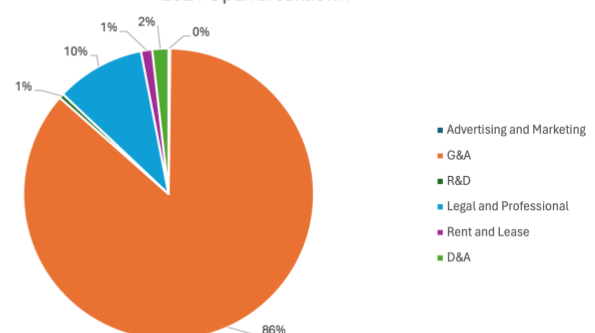
PMG has been operating at a net loss for the majority of 2023 (through November) as the company continues to focus on scaling Hermann. Through November 2023, PMG has reported a net loss of roughly $465,000 for the year. However, the company has been historically profitable on annualized basis. In 2022, the company's net income totaled around $489,000, which represented an increase of approximately 5% from 2021's total net income of around $463,000. For 2024, the company plans to focus on growing Hermann, which will likely result in the company reporting a net loss for the year. However, the company is aiming to reach profitability again in the first half of 2025. As of January 30, 2024, the company had roughly $280,000 cash on hand.

2023 Monthly Net Income (Loss)

Annual Net Income, 2021 - 2022
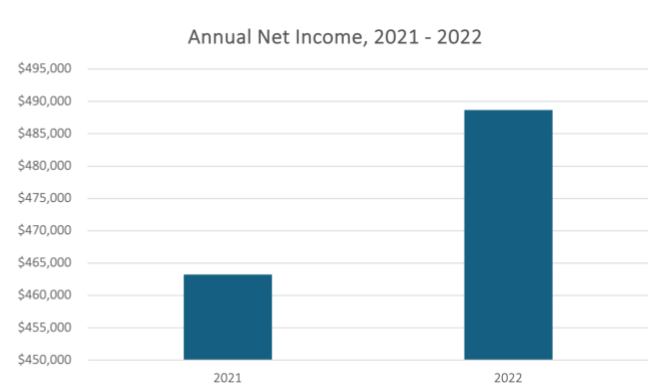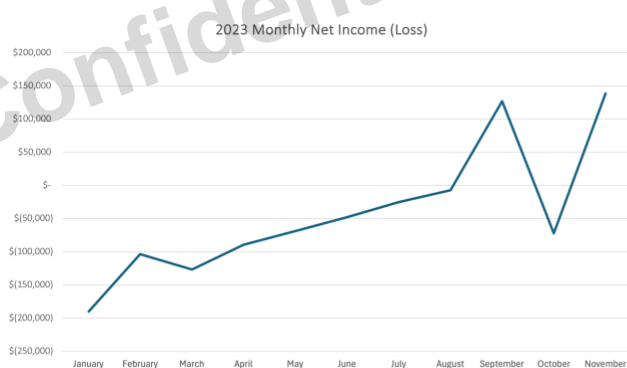
Corporate Training

The 2023 Training Industry Report from Training Magazine indicated a steady pace in the U.S. corporate training sector's spending, with total expenditures slightly rising to over $101.8 billion. This modest 0.2% increase from the previous year is influenced by various factors, including a significant jump in spending on external products and services, which rose 23% year-over-year to $10.1 billion. Contrasting trends were observed in company-specific expenditures: large companies decreased their spending to $16.1 million, midsize companies held steady at $1.5 million, and small companies increased to $459,177. The report also highlighted a slight decrease in organizations expanding their training teams, down to 37% for 2023 (down 1% from 2022). Despite the overall growth, there was a decrease in the average spend per learner to $954 and a reduction in average training hours to 57 hours annually. Other key findings from the report include:[ix]

- The most anticipated future training purchases include online learning tools and systems, with 43% of organizations planning to invest in them (up from 34% in 2022)
- Service organizations spent the most per learner at $1,207, indicating a sector-specific focus on training intensity
- 40% of companies reported increased training budgets, with midsize companies showing the greatest increase
- On average, organizations spent 16% of their budget on learning tools and technologies, or $360,164
- The highest priorities for allocating training resources in 2024 include increasing the effectiveness of training programs and increasing learner usage of training programs
- Management and supervisory training are anticipated to receive the most funding, continuing a 11-year trend

Training Expenditures ($Bn), 2018-2023
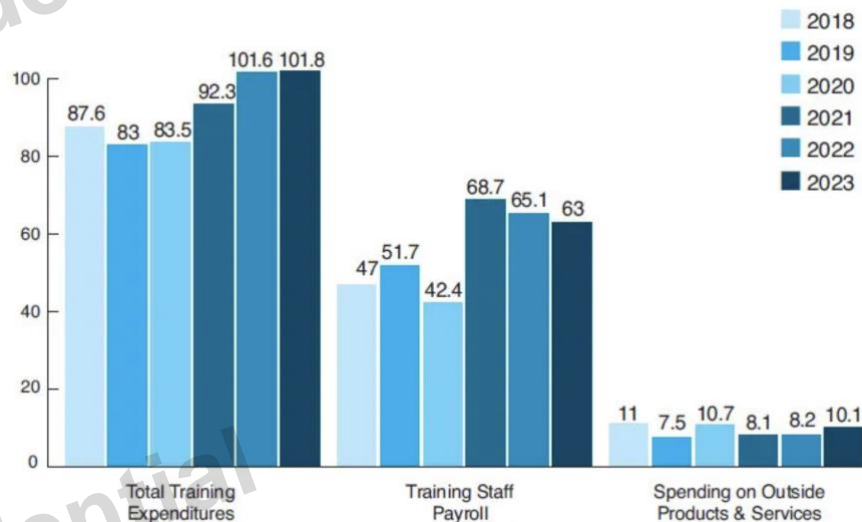
Training Magazine, November 2023

In 2023, the average expenditure for training outsourcing in the corporate sector increased to $322,376, a significant rise from $197,519 in 2022. Large companies spent an average of $1.2 million on outsourcing, markedly more than midsize and small companies. About 5% of the total training budget was allocated to outsourcing. While 23% of companies outsourced most or all Learning Management System (LMS) operations, a decrease from the previous year, the majority handled learner support and LMS administration in-house. Instruction and facilitation were more commonly outsourced, with larger companies outsourcing more extensively than smaller ones. The overall trend towards outsourcing is expected to remain steady into 2024.[x]

Extent of Outsourcing Across All Companies, 2023
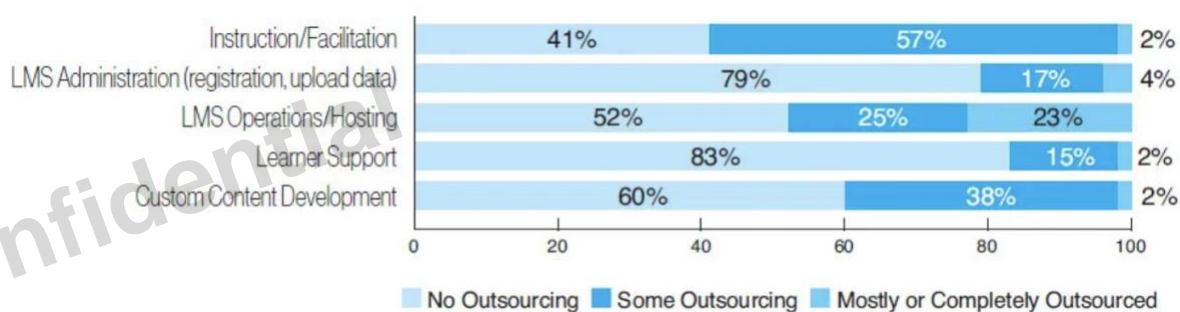
Training Magazine, November 2023

Spaced Repetition and Microlearning

Curve of Forgetting
For newly learned information

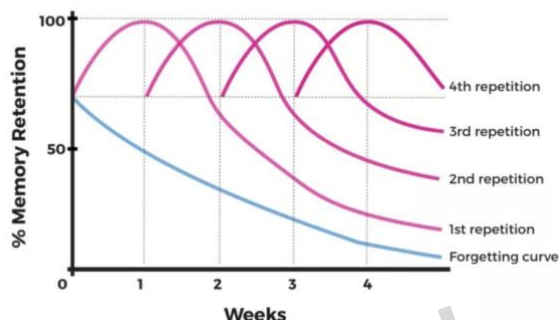Spaced repetition and microlearning are educational strategies designed to enhance learning efficiency in enterprise settings. Spaced repetition is a method where information is reviewed and reinforced at increasing intervals, akin to watering a plant regularly for optimal growth. This process is designed to solidify memory by teaching and testing knowledge repeatedly over time. The concept of the forgetting curve, introduced by Dr. Hermann Ebbinghaus in the 1880s, is critical here. It hypothesizes the decline of memory retention over time when there is no attempt to retain information, underscoring the importance of these repetitive learning strategies. Microlearning complements this by breaking down content into small, manageable segments, allowing for learning in short, focused bursts. This approach can be particularly effective in the modern fast-paced environment, providing personalized, efficient learning experiences that can be accessed anytime and fit into busy schedules.[xi]

The microlearning industry, specializing in compact, targeted learning experiences, has witnessed substantial growth. According to Mordor Intelligence, the market size was valued at $2.31 billion in 2023 and is anticipated to reach $4.40 billion by 2028, showcasing a compound annual growth rate (CAGR) of 13.77%. This surge is propelled by the industry's adoption across various professional landscapes, bolstered by technological advancements in simulation-based learning, and an increased demand for training that is both skill-based and results-driven. Microlearning's appeal can be further enhanced by its flexible, learner-centric design and compatibility with cloud-based platforms, making it a strategic fit for today's dynamic workforce and modern educational ecosystems.[xii]

Venture Financing

PMG competes within the broader educational software industry which recorded $8.11 billion in venture capital funding in 2023, down slightly from 2022's total funding of $8.23 billion. Despite the slight decline in funding, the industry's median deal size rose 15% year-over-year to a new all-time high of $0.94 million in 2023. Other venture funding highlights from the educational software industry include:

- Total venture funding of $79.79 billion from 2013 total 2023
- Median post-money valuation of $9.85 million in 2023, the second highest number on record
- CAGR of 16.22% from 2013 to 2023

![MicroVentures logo]

Capital Invested and Deal Count in the Educational Software Industry, 2013-2023

Year	Capital Invested	Deal Count
2013	$1.55B	1,002
2014	$2.23B	1,275
2015	$4.30B	1,622
2016	$3.37B	1,719
2017	$4.08B	1,727
2018	$11.61B	1,827
2019	$5.42B	1,769
2020	$14.30B	1,855
2021	$16.60B	2,186
2022	$8.23B	1,788
2023	$8.11B	1,087

Source: PitchBook Data, Inc.
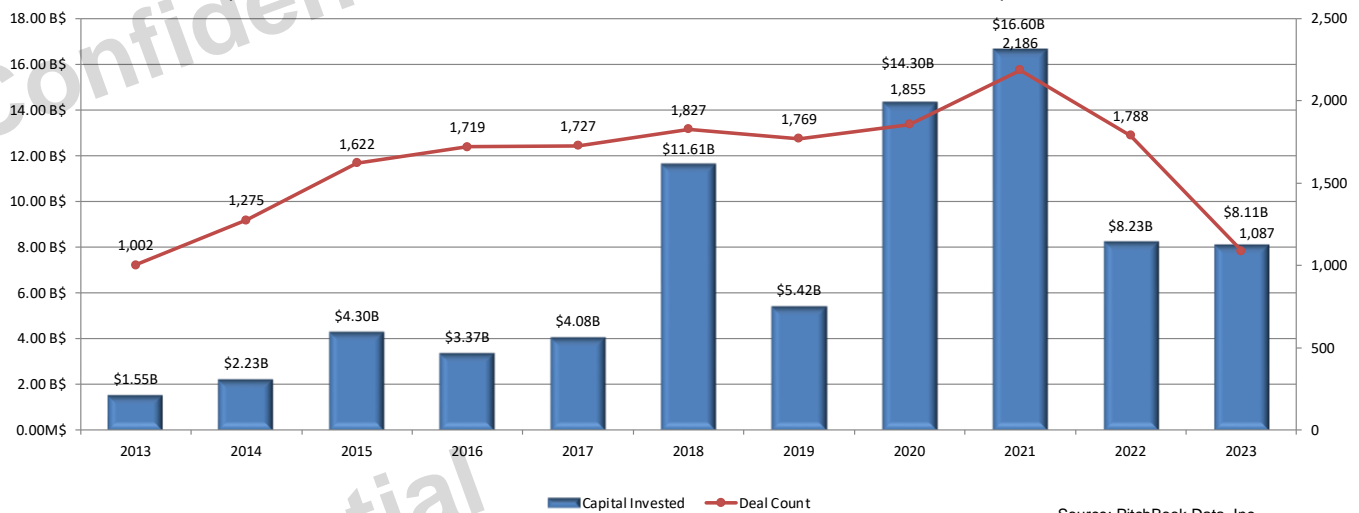
COMPETITORS

Absorb: Founded in 2003, Absorb is an AI-powered learning management system (LMS) built to accelerate learning and drive results. Its suite of products, tailored for corporate learning and development, is designed to empower organizations to scale their learning initiatives, enabling employees to enhance their skills within a dynamic learning culture. Absorb's product lineup includes the Absorb LMS, a learning management system that helps global organizations prosper; Absorb Infuse, which integrates learning into the flow of work; Absorb Engage, a set of tools aimed at boosting learner engagement and user experience; Absorb Create, an advanced online course builder and authoring tool; Absorb Analyze for in-depth insights into learning programs and their impact on business results; and Absorb Amplify, a content library with a variety of curated courses to streamline employee training.[xiii] According to the company, it has over 1,700 customers across 34 countries including notable organizations such as Sony, Gap, Johnson & Johnson, and Samsung, among others.[xiv] [xv] In June 2021, Absorb was acquired by technology-focused private equity firm Welsh, Carson, Anderson, & Stowe in a deal that valued it at an estimated $500 million.[xvi] [xvii]

Qstream: Established in 2008, Qstream operates a microlearning solution that enhances job performance through scientifically proven methods. The company provides a suite of products designed to enhance the learning and proficiency of employees through microlearning. Its platform, known for reinforcing knowledge and skills, is structured around scientific research in brain science to combat the forgetting curve. Qstream's offerings revolve around delivering scenario-based challenges, insights into proficiency and engagement, and data analytics for measuring progress. Furthermore, its integrations with various learning and communication platforms like Microsoft Teams, Workday, SAP SuccessFactors, Cornerstone, Degreed, Zoom, and Slack facilitate seamless knowledge reinforcement. These integrations allow for the delivery of microlearning challenges directly into workflow communication channels, providing real-time alerts, leaderboards, and the ability to self-enroll in learning modules.[xviii] [xix] Qstream's most recent venture financing came in December 2016 when it raised a $15 million Series B round at a $75 million valuation.[xx]

Centrical: Since inception in 2013, Centrical has focused on the enhancement of frontline employee performance through its suite of software solutions. The company's platform is designed to transform business operations by elevating the employee experience using a gamification-based approach. Centrical's offerings include tools for gamification, performance management, AI-powered coaching, microlearning, and an AI digital coach named MegAI, alongside quality assurance and a system for capturing the voice of the employee feedback. The platform aims to align, engage, and optimize frontline agent and team performance, integrating AI and gamification to personalize the employee journey.[xxi][xxii] According to the company, its solutions are trusted by leading enterprises including Microsoft, Webhelp, SwissLife, and Synchrony Financial, among others. [xxiii] In March 2021, Centrical raised $32 million in funding co-led by Intel Capital and JVP, bringing its total funding to around $64 million.[xxiv]

Amplifire: Founded in 2000, Amplifire is a smart learning platform engineered to target confidently held misinformation to optimize learning outcomes. The platform's adaptive learning technology tailors training to individual knowledge gaps, while its sophisticated analytics provide intelligent recommendations and predictive insights. Amplifire's comprehensive toolkit includes authoring capabilities, drag-and-drop functionalities, and customizable learning paths, as well as grading and assessment features to ensure effective knowledge acquisition and retention. Serving sectors such as healthcare, corporate training, higher education, and professional services, the company reports several notable customers including Pearson, Arizona State University, Tegria, and Heath Catalyst, among others.[xxv] In July 2022, Amplifire was sold to Polaris Growth fund for an undisclosed amount.[xxvi] The company had previously raised more than $21 million in funding from 2006 to 2020.[xxvii]

Mindmarker: Founded in 2013, Mindmarker specializes in reinforcing corporate training effectiveness through its learning platform designed to employ microlearning and spaced repetition techniques. The platform is engineered to support knowledge retention and skill application in workplace environments. With a user-friendly interface, Mindmarker facilitates learning experiences beyond traditional settings, enabling continuous engagement and measurable behavioral adjustments. The software is known for its practical analytics, which track learner progress and interactions. Noteworthy outcomes attributed to Mindmarker's methodology include improved customer service ratings for a hospitality chain and more efficient onboarding processes for an insurance company. Moreover, high-profile clients such as Comcast Business and Discover Financial Services have utilized Mindmarker to enhance training outcomes and employee performance metrics.[xxviii][xxix] In January 2021, the company announced that it had closed an oversubscribed multi-million-dollar funding round from existing investors Bisk Ventures and True Blue Partners.[xxx][xxxi]

EXECUTIVE TEAM

Ben Campbell, Founder and Chief Executive Officer: Ben Campbell founded PMG in 2014 and has served as Chief Executive Officer (CEO) since inception, where he's focused on delivering custom learning solutions for top-tier corporate and federal clients. Concurrently, he has been spearheading CheckN Holdings, Inc. as Co-Founder and Chairman for over three years, guiding the company toward the launch of its social utility app in December 2023. Prior to these ventures, Ben authored a critically acclaimed thriller called "Nothing They Won't Do", sustained a successful eight-year tenure as the CEO of online music platform OurStage.com, and led network infrastructure services

company BTS Partners, Inc. as CEO. Ben's academic credentials include an MBA in Entrepreneurial Management and Finance from Harvard Business School following a Bachelor of Art in Chemistry from the University of Richmond.

Colin Cohen, Chief Revenue Officer: Colin Cohen has served as Chief Revenue Officer at PMG since January 2019, overseeing the sales strategies for a range of learning and communications solutions. Prior to his current role, Colin spent six years at global technology and professional services company General Dynamics Information Technology, where he led sales for the custom learning solutions division. Before that, he advanced to Vice President of Sales and Business Development at OurStage, after a year as Director of Business Development, contributing to the company's revenue and partnership strategies. Colin's earlier career also included a five-year stint as National Account Director at information management provider Vangent, Inc., managing long-term client relationships with key business-to-business (B2B) and Federal clients. Colin holds a Bachelor of Art in English from Tufts University.

Jeff Strobel, Chief Technology Officer: Jeff Strobel joined PMG in August 2014 as Chief Technology Officer (CTO), where he leads the creation of short, educational, and impactful videos. Before joining PMG, Jeff spent nearly eight years as the CTO of OurStage, Inc., an online music discovery platform that engages new talent and fans. His entrepreneurial spirit is evident from his time as Founder and President of Paperback Digital for four years, and earlier, Palm Digital Media for over five years, which was acquired by Barnes and Noble to enhance their Nook platform. Jeff holds a Master of Science in Computer Science from Boston University and a Bachelor of Science in Civil Engineering from Northeastern University.

John Dzamba, Chief Operational Officer: John Dzamba joined PMG in January 2019 as Chief Operating Officer. Before taking on his current role, Dzamba had a lengthy tenure of over 23 years at General Dynamics Information Technology, where he last served as Operations Director. During this time, he developed a particular expertise working with Boeing for over 15 years and was the Managing Director for General Dynamics IT's commercial learning arm, the team of which now constitutes the core staff at PMG.

PAST FINANCING

Since its inception in 2014, PMG has primarily leveraged the revenues from its long-established service business to finance its operations. In addition to this, PMG has tapped into the financial resources of its key executives and close family friends, who have extended more than $400,000 in loans to the company since 2014 (with around $280,000 outstanding as of November 2023). These loans have come with the advantage of modest interest rates ranging from 0 – 5% and the flexibility of an open-ended repayment term (most have undefined principal repayment periods), thereby providing PMG with essential working capital to sustain and grow its business. The company has also opened line of credits with banks and has one currently open with an outstanding balance of $299,000, as of November 2023.

Security Type: Crowd Notes
Round Size: Min: $25,000 Max: $1,000,000
Discount Rate: 10%
Pre-Money Valuation Cap: $9 million or $7.5 million
Conversion Provisions: In connection with a preferred equity financing of at least $1 million, the Company has the option to convert the Crowd Notes into non-voting preferred stock at a price based on the lower of (A) a 10% discount to the price per share for preferred stock by investors in the equity financing or (B) the price per share paid on an $9 million or $7.5 million valuation cap. Please refer to the Crowd Note for a complete description of the terms of the Crowd Note, including the conversion provisions.

Investment Risk

An investment in the company is speculative, and as such is not suitable for anyone without a high tolerance for risk and a low need for liquidity. You should invest only if you are able to bear the risk of losing your entire investment. There can be no assurance that investors will receive any return of capital or profit. Investors should have the financial ability and willingness to accept the risks (including, among other things, the risk of loss of their entire investment and the risks of lack of liquidity) that are characteristic of private placement investments. There will be no public market for the securities being offered, applicable securities laws will restrict any transfer of the securities, and the securities will not be transferable without the company's consent.

The information provided herein is not intended to be, nor should it be construed or used as, investment, tax or legal advice, a recommendation to purchase, or an offer to sell securities of the company. You should rely on the offering statement and documents attached as exhibits to the offering statement when making any investment decision. An investment in the company is not suitable for all investors.

Company Risk

The company's industry is highly competitive, and the company may not be able to compete effectively against the other businesses in its industry. The company is subject to a number of significant risks that could result in a reduction in its value and the value of the company securities, potentially including, but not limited to:

- Rapidly changing consumer preferences and market trends,
- Inability to expand and maintain market acceptance for the company's services and products,
- Inability to gain access to international markets and comply with all applicable local laws and regulations,
- Inability to achieve management's projections for growth, to maintain or increase historical rates of growth, to achieve growth based on past or current trends, or to effectively manage rapid growth,
- Inability to develop, maintain and expand successful marketing relationships, affiliations, joint ventures and partnerships that may be needed to continue and accelerate the company's growth and market penetration,
- Inability to keep pace with rapid industry, technological and market changes that could affect the company's services, products and business,
- Technological problems, including potentially widespread outages and disruptions in Internet and mobile commerce,

- Potential costs and business disruption that may result if the company's customers complain or assert claims regarding the company's technology,
- Failure to adequately address data security and privacy concerns in compliance with U.S. and international laws, rules and policies,
- Performance issues arising from infrastructure changes, human or software errors, website or third-party hosting disruptions, network disruptions or capacity constraints due to a number of potential causes including technical failures, cyber-attacks, security vulnerabilities, natural disasters or fraud,
- Inability to adequately secure and protect intellectual property rights,
- Potential claims and litigation against the company for infringement of intellectual property rights and other alleged violations of law,
- Difficulties in complying with applicable laws and regulations, and potential costs and business disruption if the company becomes subject to claims and litigation for legal non-compliance,
- Changes in laws and regulations materially affecting the company's business,
- Liability risks and labor costs and requirements that may jeopardize the company's business,
- Dependence on and inability to hire or retain key members of management and a qualified workforce,
- Ongoing need for substantial additional capital to support operations, to finance expansion and/or to maintain competitive position,
- Issuance of additional company equity securities at prices dilutive to existing equity holders,
- Potential significant and unexpected declines in the value of company equity securities, including prior to, during, and after an initial public offering, and
- Inability of the company to complete an initial public offering of its securities, merger, buyout or other liquidity event.

---

[i] https://trainingmag.com/2022-training-industry-report/

[ii] https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-the-future-of-work

[iii] https://www.mckinsey.com/featured-insights/mckinsey-explainers/what-is-the-future-of-work

[iv] https://getrapl.com/blog/how-spaced-repetition-and-microlearning-help-enterprise-learning/

[v] https://whatfix.com/blog/spaced-learning/

[vi] https://elearningindustry.com/how-microlearning-spaced-repetition-beat-forgetting-curve

[vii] https://www.pmglearning.com/

[viii] https://www.pmglearning.com/video_solutions

[ix] https://trainingmag.com/2023-training-industry-report/

[x] https://trainingmag.com/2023-training-industry-report/

[xi] https://getrapl.com/blog/how-spaced-repetition-and-microlearning-help-enterprise-learning/

[xii] https://www.mordorintelligence.com/industry-reports/microlearning-market

[xiii] https://www.absorblms.com/products/

[xiv] https://www.absorblms.com/

[xv] https://www.absorblms.com/company/

[xvi] https://www.prnewswire.com/news-releases/welsh-carson-anderson--stowe-completes-acquisition-of-absorb-software-301302081.html - :

[xvii] PitchBook Data, downloaded November 2023

[xviii] https://qstream.com/product-overview/

[xix] https://qstream.com/

[xx] PitchBook Data, downloaded November 2023

[xxi] https://centrical.com/

[xxii] https://centrical.com/about-us/

[xxiii] https://centrical.com/

[xxiv] https://venturebeat.com/business/employee-engagement-startup-centrical-raises-32m/

[xxv] https://amplifire.com/

[xxvi] https://www.prnewswire.com/news-releases/leeds-equity-partners-announces-sale-of-amplifire-to-polaris-partners-301592157.html

[xxvii] PitchBook Data, downloaded November 2023

[xxviii] https://www.mindmarker.com/

[xxix] https://www.mindmarker.com/customers

[xxx] PitchBook Data, downloaded November 2023

[xxxi] https://www.globenewswire.com/news-release/2021/01/28/2166058/0/en/Mindmarker-Announces-Oversubscribed-Funding-Round-and-Expanded-Executive-Team.html