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**ATTORNEYS FOR**
**214 E HALLANDALE BEACH LLC**

**IN THE UNITED STATES BANKRUPTCY COURT**
**FOR THE NORTHERN DISTRICT OF TEXAS**
**DALLAS DIVISION**

| | | |
|---|---|---|
| **IN RE:** | § | **CASE NO. 25-80121-11 (MLV)** |
| | § | |
| **HIGHER GROUND EDUCATION, INC., et al[1],** | § | **Chapter 11** |
| | § | |
| | § | |
| **DEBTORS.** | § | **(Jointly Administered)** |

**214 E HALLANDALE BEACH LLC'S OBJECTION TO SECOND AMENDED JOINT PLAN OF REORGANIZATION OF HIGHER GROUND EDUCATION, INC., ITS AFFILIATED DEBTORS, AND THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS**

**TO THE HONORABLE MICHELLE V LARSON, UNITED STATES BANKRUPTCY JUDGE:**

214 E Hallandale Beach LLC (the "Landlord"), a creditor in the above-captioned, jointly administered bankruptcy cases (the "Bankruptcy Cases") of the Debtors, hereby files this

[1] The "Debtors" in these Chapter 11 Cases, along with the last four digits of each Debtor's federal identification number, are: Higher Ground Education, Inc. (7265); Guidepost A LLC (8540); Prepared Montessorian LLC (6181); Terra Firma Services LLC (6999); Guidepost Birmingham LLC (2397); Guidepost Bradley Hills LLC (2058); Guidepost Branchburg LLC (0494); Guidepost Carmel LLC (4060); Guidepost FIC B LLC (8609); Guidepost FIC C LLC (1518); Guidepost Goodyear LLC (1363); Guidepost Las Colinas LLC (9767); Guidepost Leawood LLC (3453); Guidepost Muirfield Village LLC (1889); Guidepost Richardson LLC (7111); Guidepost South Riding LLC (2403); Guidepost St. Robert LLC (5136); Guidepost The Woodlands LLC (6101); Guidepost Walled Lake LLC (9118); HGE FIC D LLC (6499); HGE FIC E LLC (0056); HGE FIC F LLC (8861); HGE FIC G LLC (5500); HGE FIC H LLC (8817); HGE FIC I LLC (1138); HGE FIC K LLC (8558); HGE FIC L LLC (2052); HGE FIC M LLC (8912); HGE FIC N LLC (6774); HGE FIC O LLC (4678); HGE FIC P LLC (1477); HGE FIC Q LLC (3122); HGE FIC R LLC (9661); LePort Emeryville LLC (7324); and AltSchool II LLC (0403). The Debtors' mailing address is 1321 Upland Dr. PMB 20442, Houston, Texas 77043.

*Objection* and makes the following objections to the *Second Amended Joint Plan of Reorganization of Higher Ground Education, Inc., its Affiliated Debtors, and the Official Committee of Unsecured Creditors* [Docket No. 549] (as may be amended, supplemented, or modified, the "Plan")[2] filed by the Debtors and the Official Committee of Unsecured Creditors of the Debtors appointed in the Debtors' Bankruptcy Cases (the "Committee," with the Debtors, the "Plan Proponents"), and respectfully states as follows:

## I. OVERVIEW OF OBJECTION

1. The Plan seeks to settle valuable Potential Claims for amounts that are insufficient and without providing the analysis required under applicable law. Therefore, the Landlord objects to the Plan.

## II. BANKRUPTCY PROCEDURAL BACKGROUND

2. On June 17, 2025 and June 18, 2025 (the "~~Petition Date~~"), the Debtors filed voluntary petitions for relief pursuant to Chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "~~Bankruptcy Code~~"), thereby initiating the Bankruptcy Cases.

3. On July 8, 2025, the Committee was appointed. *See* Docket No. 158. The Landlord is one of five members of the Committee. *See* Docket No. 158.

4. On October 13, 2025, the Debtors filed the *Second Amended Disclosure Statement for the Second Amended Joint Plan of Reorganization of Higher Ground Education, Inc., its Affiliated Debtors, and Official Committee of Unsecured Creditors* [Docket No. 551] (the "~~Disclosure Statement~~") pursuant to Sections 1125 and 1126(b) of the Bankruptcy Code.

5. On October 13, 2025, the Debtors and the Committee filed the Plan.

[2] Capitalized terms not defined herein shall have the meaning(s) ascribed to such terms by the Plan and the Disclosure Statement (as hereinafter defined).

6. On October 15, 2025, the Court entered the *Order (I) Conditionally Approving the Disclosure Statement; (II) Scheduling a Combined Disclosure Statement Approval and Plan Confirmation Hearing; (III) Establishing a Plan and Disclosure Statement Objection Deadline and Related Procedures; (IV) Approving the Solicitation and Notice Procedures; and (V) Granting Related Relief* [Docket No. 568] ("Disclosure Statement Order").

7. On November 14, 2025, the Debtors filed the *Notice of Filing of Initial Plan Supplement* [Docket No. 631] (the "First Plan Supplement").

8. On November 14, 2025, the Debtors filed the *Notice of Filing of Amended Plan Supplement* [Docket No. 634] (the "Second Plan Supplement").

## III. THE LANDLORD'S CLAIM

### A. The Tenant and Guarantor Failed to Perform Under the Lease

9. Prior to the Petition Date, HGE FIC I LLC (the "Tenant"), one of the Debtors, and FORTIS I, LLC (the "Prior Landlord"),[3] predecessor-in-interest to the Landlord, were parties to a certain commercial *Lease Agreement*, dated March 28, 2022, as amended by that certain *First Amendment to Lease Agreement* by and between the Prior Landlord, predecessor-in-interest to the Landlord, and the Debtor, dated January 26, 2023, as amended by that certain *Second Amendment to Lease Agreement* by and between the Prior Landlord, predecessor-in-interest to the Landlord, and the Debtor, dated March 9, 2023, as amended by that certain *Third Amendment to Lease Agreement* by and between the Prior Landlord, predecessor-in-interest to the Landlord, and the Debtor, dated April 3, 2023 (as may or has been amended, supplemented, or modified from time

[3] Pursuant to that certain Assignment and Assumption of Leases by and between the Landlord and the Prior Landlord, dated March 1, 2023 (the "Assignment"), the Landlord is the successor-in-interest to the Prior Landlord. A copy of the Assignment is attached to the Complaint (as hereinafter defined) as **Exhibit "B"**.

to time, the "Lease"), under which the Tenant agreed to lease certain space to operate a school located at 214 E. Hallandale Beach Blvd., Hallandale Beach, Florida (the "Leased Premises").

10. In connection with the Lease, Higher Ground Education, Inc. (the "Guarantor"), one of the Debtors, executed that certain *Guaranty* in favor of the Prior Landlord, predecessor-in-interest to the Landlord, dated March 21, 2022 (the "Guaranty").

11. On November 25, 2024, the Landlord filed its *Complaint* (the "Complaint") seeking to collect all amounts due and owing under the Lease and the Guaranty pursuant to the matter styled: *214 E Hallandale Beach LLC v. HGE FIC I LLC and Higher Ground Education, Inc.*, in the 17th Judicial Circuit in and for Broward County, Florida under Case No. CACE-24-01694 (the "State Court"). A true and correct copy of the Complaint is attached to the Post-Rejection Claim (as hereinafter defined).

12. As described by the Complaint, prior to the Petition Date, the Guarantor and the Tenant were in default under the Lease and the Guaranty.

13. As described by the Complaint, on October 28, 2024, the Landlord obtained a final judgment against the Tenant, which removed the Tenant from the Leased Premises and awarded the Landlord possession of the Leased Premises, but **without terminating the Lease itself**.

**B. The Debtors Rejected the Lease**

14. On September 17, 2025, the Court entered the *Order (I) Authorizing Debtors to (A) Reject Certain Executory Contracts and Unexpired Leases of Nonresidential Real Property and (B) Abandon Property in Connection Therewith; and (II) Granting Related Relief* [Docket No. 453] (the "Rejection Order"). The Rejection Order rejects the Lease effective as of the Petition Date.

15. Prior to entry of the Rejection Order and before the Lease was rejected, on July 10, 2025, the Landlord filed proofs of claim related to the claims raised in the Complaint against the Guarantor and Tenant in the amount of at least $31,072,411.99, as further described by Claims Nos. 8 & 9 (the "Pre-Rejection Claims").

16. After entry of the Rejection Order and after the Lease was rejected, on October 14, 2025, the Landlord filed proofs of claim related to the claims raised in the Complaint against the Guarantor and Tenant in the amount of at least $11,103,216.69, as further described by Claims Nos. 556 & 557 (the "Post-Rejection Claims").

**C. The Landlord Voted Against the Plan and Opted Out of the Third-Party Releases**

17. The Disclosure Statement Order established the Voting Record Date (as defined by the Disclosure Statement Order) as September 1, 2025. Therefore, the Landlord voted its Class 8 Pre-Rejection Claims and submitted a Ballot voting **against** the Plan in the amount of $31,072,411.99 (the number on the ballot provided to the Landlord by the Debtors). The Landlord also **opted out** of the Third-Party Releases.

## IV. PRE-PETITION FORECLOSURE

18. As described by the Disclosure Statement, prior to the Petition Date in 2024, the Debtors operated 150 schools. Following, the Foreclosures, the Debtors were left with limited operations.

19. The Debtors did not file for relief under the Bankruptcy Code to stop the Foreclosures.

20. The Disclosure Statement outlines three main categories of potential claims and causes of action held by the Debtors for the benefit of creditors: (i) Chapter 5 Causes of Action against Insider and non-insiders in the amount of $27.3 million; (ii) claims related to the

Foreclosures; and (iii) causes of action against Non-Released D&Os. *See* Disclosure Statement § V.I (collectively, the "Potential Claims"). Potential Claims related to the Foreclosures include those related to the value received in connection with the foreclosures and whether there were legitimate alternatives to the same. *See id.* Additionally, Potential Claims include those related to directors and officers business-related decisions, particularly around the Foreclosures *See id.*

21. The Plan seeks a settlement and release of claims and causes of action (including those related to the Foreclosures) against the Settlement Parties, including 2HR Learning, Inc. (the Plan Sponsor); YYYYY, LLC (the Senior DIP Lender) Guidepost Global; Learn; CEA; Yu Capital; WTI; TNC; and each of the aforementioned parties' Related Parties; provided, however, that no Non-Released D&O shall be considered a Settlement Party. *See* Plan § 4.2 (collectively, the "Plan Settlement"). Under the Plan, the Debtors or Liquidating Trustee, as applicable, are to receive Settlement Party Payment in the amount of $1,950,000.00 plus the Plan Sponsor Consideration and Surplus DIP Cash, as part of the global settlement proposed by the Plan (essentially in consideration of the release of claims related to the Foreclosures and a waiver of other claims). *See* Plan § 4.2. Additionally, the Plan Sponsor and Senior DIP Lender, both Settlement Parties, will receive 100% of the equity interests in Reorganized HGE. *See* Plan §§ 1.1.124 & 3.5.

22. Upon information and belief, since the Foreclosures, Foreclosure Buyers have conveyed to landlords and the marketplace that the Debtors' former schools have a very strong financial profile and they project profitability in the near-term. *See* attached Exhibit "A."

## V. PLAN OBJECTIONS

### A. The Plan Settlement

23. The Plan Settlement and the consideration the Liquidating Trustee will receive for the same is not sufficient and should not be approved. In the event of a Chapter 7 liquidation, unsecured creditors (through a trustee) could pursue Potential Claims for a higher recovery than is proposed under the Plan. Therefore, the Landlord objects to the Plan.

### B. The Plan and the Plan Proponents Do Not Comply with Section 1129

24. The Plan Proponents, as proponents of the Plan, bear the burden of proving that the Plan satisfies the statutory requirements set forth under Section 1129(a) of the Bankruptcy Code. *See Heartland Fed. Sav. & Loan Ass'n v. Briscoe Enters., Ltd., II (In re Briscoe Enters., Ltd., II)*, 994 F.2d 1160, 1165 (5th Cir. 1993) (concluding "that preponderance of the evidence is the debtor's appropriate standard of proof under § 1129(a) and in a cramdown."). Here, the Plan Proponents have not met their burden and the Plan should be denied for the reasons set forth below.

### C. The Plan Settlement Does Not Comply with Section 1129

25. The Plan Proponents bear the burdens of proof (production and persuasion) that the Plan Settlement satisfies the requirements for approval. *See In re Goodman Networks, Inc.*, No. 22-31641-MVL7, 2024 Bankr. LEXIS 285, at *24-25 (Bankr. N.D. Tex. Feb. 5, 2024) (citing *In re Roqumore*, 393 B.R. 474, 481 (Bankr. S.D. Tex. 2008). When a settlement is incorporated into a plan, it must meet the same standards for a settlement approved outside the plan-context. *In re Cont'l Airlines Corp.*, 907 F.2d 1500, 1508 (5th Cir. 1990). Additionally, a settlement, particularly one that settles claims, must meet the standards of Section 363(b). *See Cadle Co. v. Mims (In re Moore),* 608 F.3d 253, 264-265 (5th Cir. 2010) ("The settlement of a cause of action held by the estate is plainly the equivalent of a sale of that claim.").

26. Federal Rule of Bankruptcy Procedure (the "Rule") 9019 provides, in relevant part:

> On motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement. Notice shall be given to creditors, the United States trustee . . . and indenture trustee as provided in Rule 2002 and to any other entity as the court may direct.

Fed. R. Bankr. P. 9019(a).

27. Under Rule 9019 and applicable law, the Plan Proponents must demonstrate that the Plan Settlement and the release of valuable claims and causes of action (including the Potential Claims), "is fair and equitable and in the best interest of the estate." *See Conn. Gen. Life Ins. Co. v. United Cos. Fin. Corp.(In re Foster Mortg. Corp.)*, 68 F.3d 914, 917 (5th Cir. 1995) (collecting cases). The Fifth Circuit has instructed courts to consider the following factors: "(1) The probability of success in the litigation, with due consideration for the uncertainty of law and fact, (2) The complexity and likely duration of the litigation and any attendant expense, inconvenience and delay, and (3) All other factors bearing on the wisdom of the compromise." *Id.* Under the third factor referenced above, the Fifth Circuit has specified two additional factors that bear on the decision to approve a proposed settlement. The court should consider "the paramount interest of creditors with proper deference to their reasonable views." *Official Comm. of Unsecured Creditors v. Moeller (In re Age Ref., Inc.)*, 801 F.3d 530, 540 (5th Cir. 2015) (citing *Foster Mortg.*) (cleaned up). The Court should consider the "extent to which the settlement is truly the product of arms-length bargaining, and not of fraud or collusion." *Id.* at 540 (again, citing *Foster Mortg.*).

28. The Plan and the Plan Settlement do not meet the *Foster Mortg*. standard. The Plan and Disclosure Statement provide limited information about the probability of success in the litigation related to the Potential Claims, including information related to the value of the assets transferred via the Foreclosures. Similarly, Plan and Disclosure Statement do not explain the

complexity and likely duration of pursuing the Potential Claims. Therefore, the Plan Proponents have not met the standards of Rule 9019. *See*, *e.g.*, *Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson*, 390 U.S. 414, 424 (1968) (finding settlement approval improper where record is "devoid of facts which would have permitted a reasoned judgment that the claims of actions should be settled," and provided an inadequate basis for the court to "form an educated estimate of the complexity, expense and likely duration of [the] litigation"). Based on the Landlord's industry knowledge, the Plan Settlement undervalues the Potential Claims, particularly the value of the assets transferred via the Foreclosures. Therefore, the Plan and the Plan Settlement should not be approved.

29. For the same reasons that the Plan cannot be approved as a Rule 9019 settlement, it cannot be approved as a settlement under Section 1123(a). The standard for evaluating a proposed settlement under Bankruptcy Rule 9019 and Section 1123(a)(3) are substantially the same, with the additional requirement that the Plan "settlement" must comport with the Bankruptcy Code's priority scheme. *See In re Bigler*, 442 B.R. 537, 543 n. 6 (Bankr. S.D. Tex. 2010) ("The standard for evaluating the validity of a settlement contained in a Chapter 11 plan is the same as the standard for evaluating a settlement between a debtor and another party outside the context of the plan as long as the plan settlement does not violate statutory priority. Stated differently, settlement provisions in a Chapter 11 plan must satisfy the standards used to evaluate compromises under Rule 9019."). Here, the Plan cannot be approved as a purported "settlement" under Section 363(b) and Section 1123(a)(3) for the same reasons that it cannot be approved under Rule 9019.

**D. The Debtor and the Plan Do Not Comply with Sections 1129(a)(1) and (2)**

30. As stated above, the Plan Settlement as proposed by the Plan Proponents does not comply with Rule 9019, Section 363(b), and Section 1123(a)(3); therefore, the Plan does not comply with Sections 1129(a)(1) and (2). Section 1129(a)(1) requires that the Plan comply with "the applicable provisions of this title." 11 U.S.C. § 1129(a)(1). Similarly, Section 1129(a)(2) mandates that the Plan Proponents comply with "the applicable provisions of this title."). As the Plan Proponents and the Plan fail to comply with the Bankruptcy Code and, therefore, Sections 1129(a)(1) and (a)(2) of the Bankruptcy Code.

**E. The Plan Does Not Comply with Section 1129(a)(7)**

31. Section 1129(a)(7)(ii) of the Bankruptcy Code requires the Debtor to provide Plan distributions to creditors that are equal to or greater than distributions the creditors would receive in a Chapter 7 context, unless such creditor agrees to alternative treatment. 11 U.S.C. § 1129(a)(7)(ii). The Court must find that each non-accepting impaired creditor receives, at the very least, an amount not less than what they would be entitled to if the debtor were to undergo a Chapter 7 liquidation. *See Bank of Am. Nat'l Trust & Sav. Ass'n v. 203 N LaSalle St. P'ship*, 526 U.S. 434, 441 n. 13 (1999). In a Chapter 7, the Plan Settlement would not occur and the Potential Claims would be available for creditors. The Debtors' Liquidation Analysis does not account for this possibility. It ascribes no value to the Potential Claims outside of the Plan Settlement. Section 1129(a)(7)(A)(ii) of the Bankruptcy Code provides that "[w]ith respect to each impaired class . . . each holder of a claim [that has not accepted the plan must] receive or retain under the plan on account of such claim or interest property of a value, as of the effective date of the plan, that is not less than the amount that such holder would so receive or retain if the debtor were liquidated under chapter 7." As with the other requirements under Section 1129(a), it is the Debtors' burden to

show, by a preponderance of the evidence, that they have satisfied the best interests of creditors test under Section 1129(a)(7). *See Briscoe Enters.*, 994 F.2d at 1165.

32. Under the best interests test, the Court must find that each non-accepting impaired creditor will receive or retain on account of its claim value that is not less than the amount such creditor would receive if the debtor were liquidated under Chapter 7. *See Bank of Am. Nat'l Trust & Sav. Ass'n v. 203 N LaSalle St. P'ship*, 526 U.S. 434, 441 n. 13 (1999); *see also In re Texas Extrusion Corp.*, 844 F.2d 1142, 1159 n. 23 (5th Cir. 1988). Again, in a Chapter 7 context, the Potential Claims would be available to creditors, but the Plan and Disclosure Statement do not account for this.

**F. The Plan May Not Comply with Sections 1129(a)(8) and (10) and 1129(B)**

33. As the Voting Report (as defined by the Disclosure Statement Order) has not been filed,[4] the Landlord does not know if the Plan complies with Sections 1129(a)(8) and (10). Section 1129(a)(8) requires that each class of unimpaired claims or interest accept the Plan. 11 U.S.C. § 1129(a)(8). Section 1129(a)(10) requires that at least one impaired class accept the Plan. 11 U.S.C. § 1129(a)(10). Without such Voting Report, the Landlord cannot determine if these sections of 1129 are met. Accordingly, the Landlord reserves all right to lodge such objections at the Combined Hearing (as defined by the Disclosure Statement Order).

34. As the Voting Report (as defined by the Disclosure Statement Order) has not been filed, the Landlord does not know if the Plan must comply with Section 1129(b) with respect to Class 8 (Unsecured Claims). For the reasons set forth herein, the Plan is not "fair and equitable" with respect to Class 8.

[4] The Voting Report is not required to be filed until two days before the Combined Hearing (as defined by the Disclosure Statement Order).

35. Accordingly, the Landlord reserves all right to lodge such objections at the Combined Hearing (as defined by the Disclosure Statement Order).

## VI. CONCLUSION

36. In conclusion, he Plan fails to provide sufficient recovery to unsecured creditors, inadequately addresses the Potential Claims, and does not comply with the statutory requirements of the Bankruptcy Code. Therefore, the Landlord objects to confirmation of the Plan.

## VII. JOINDER AND RESERVATION OF RIGHTS

37. The Landlord reserves the right to amend or supplement this Objection at any time prior to the confirmation hearing, and to assert such other and further objections to confirmation of the Plan, as the evidence then available may allow. The Landlord also joins in any other objections to the Plan, to the extent that such objections are not inconsistent with this Objection.

## VIII. PRAYER

**WHEREFORE, PREMISES CONSIDERED**, Landlord respectfully requests that this Court: (i) sustain this Objection; (ii) deny confirmation of the Plan; and (iii) grant to the Landlord such other and further relief to which it may justly and fairly be entitled, both at law and in equity.

**DATED: November 19, 2025**

Respectfully submitted,

By: */s/ Annmarie Chiarello*

Annmarie Chiarello
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**ATTORNEYS FOR**
**214 E HALLANDALE BEACH LLC**

## CERTIFICATE OF SERVICE

The undersigned certifies that on November 19, 2025, a true and correct copy of the foregoing will be electronically mailed to the parties that are registered or otherwise entitled to receive electronic notices in this case pursuant to the Electronic Filing Procedures in this District.

*/s/ Annmarie Chiarello*
Annmarie Chiarello

# Guidepost Global Education

## Introduction

# Guidepost Global Education—Overview

- **Guidepost Global Education ("GGE")** is a newly-formed corporate entity that owns and manages 109 schools globally, including 84 in the U.S. and 25 in Asia, serving 10,000+ families
- GGE's core portfolio includes 84 of the highest-performing schools formerly operated by Higher Ground Education, along with key corporate assets such as IPs (trademarks and curriculum) and the Prepared Montessorian (an accredited Montessori teacher training institute)
- GGE is entering strategic partnerships with Cosmic Education Group, 2 Hour Learning, Harmony Group, and Yu Capital. Upon completion of these partnerships, GGE will consist of:
  - 72 wholly owned campuses in the U.S.
  - 12 joint venture and GGE managed campuses in the U.S. with Harmony Group and Yu Capital
  - 25 GGE managed campuses in Asia, currently owned and operated by Cosmic Education Group
  - A strategic collaboration with 2 Hour Learning, launching elementary programs within Guidepost schools
- Consolidated GGE financial profile is strong:
  - As of April, GGE is generating $1.3M in monthly campus-level EBITDA, representing a 3.0x increase over the past six months
  - Targeting monthly G&A of $1.2M by Sep'25, in-line with the Company's emphasis on maximizing profitability and cash flow generation
  - Consolidated profitability beginning Sep'25, with a forecasted FY2026 (Sep'25–Aug'26) consolidated EBITDA of $19.6M

# The U.S. Transformation

By consolidating around the strongest-performing schools and optimizing utilization and G&A, GGE now operates 84 campuses with positive 4-wall EBITDA and is on track to reach consolidated breakeven by Sep 2025.

| Legacy<br>December 2024 (monthly) | Today<br>April 2025 (monthly) | Transformed<br>October 2025 (monthly) | Transformed<br>FY2026 (annual) |
|---|---|---|---|
| **150 schools** | **84 schools** | **84 schools** | **84 schools** |
| **10,942 enrolled** | **8,386 enrolled** | **8,217 enrolled** | **8,853 enrolled** |
| **$1,579 NRPS**[1] | **$1,693 NRPS** | **$1,786 NRPS** | **$21,479 NRPS** |
| **($3.1M) 4-wall EBITDA** | **+$1.3M 4-wall EBITDA** | **+$1.5M 4-wall EBITDA**[3] | **+$29.3M 4-wall EBITDA**[3] |
| **$2.4M Corporate G&A** | **$1.7M Corporate G&A**[2] | **$1.1M Corporate G&A** | **$13.5M Corporate G&A** |
| **($5.7M) Consol. EBITDA** | **($0.4M) Consol. EBITDA** | **+$0.7M Consol. EBITDA**[4] | **+$19.6M Consol. EBITDA**[4] |

1. Net Revenue per Student
2. Excludes one-time legal expenses related to restructuring
3. 4-wall EBITDA from 72 owned campuses
4. Includes 4-wall EBITDA from 72 owned campuses and management fees and profit sharing from 12 Joint Venture schools

# Experienced Leadership and Focused Corporate Team

GGE is led by a seasoned executive team and supported by a streamlined corporate structure designed to drive operational efficiency and profitability across its global network

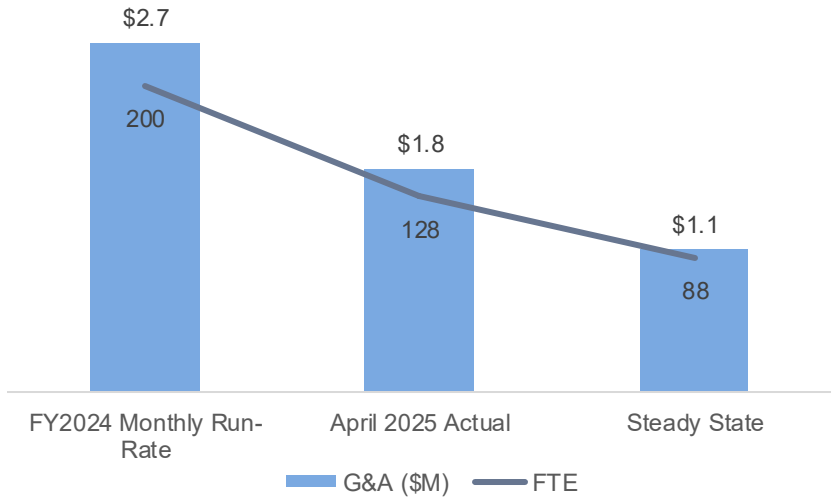
## Senior Leadership

**Steve Xu**
Global CEO

**Maris Mendes**
CEO, US

**Mitch Michulka**
CFO, US

## GGE Monthly G&A and FTE




**Steady-state G&A reductions are confirmed, with remaining roll-offs occurring through September in line with the planned wind-down and system transitions**

# GGE is Backed by Strategic Partners and Investors

Key partnerships expand network depth, enhance elementary curriculum and outcomes, and leverage strategic real estate joint ventures to support a cash-flow-positive, asset-light management model.

cosmic education group

Cosmic Education Group owns and operates 25 schools in Asia under the Guidepost Montessori and Nest Preschool brands

GGE will manage Cosmic's 25-school network in Asia under a fee-based agreement

2 Hour Learning™

2 Hour Learning has developed an innovative platform that delivers personalized, adaptive learning experiences designed to maximize engagement and retention.

GGE will partner with 2 Hour Learning to implement its AI-powered technology within elementary programs across the Guidepost network

HARMONY GROUP CAPITAL

Harmony Group Capital is a real estate investment firm focused on development and value-add opportunities across the United States.

GGE will form a joint venture with Harmony to manage a network of multiple schools in the U.S.

# Strong Financial Profile

| | Apr-25 PF | FY26E | FY27E | |
|---|---|---|---|---|
| Schools | 84 | 84 | 84 | 1 |
| Enrollment | 8,386 | 8,853 | 9,798 | |
| Utilization | 72% | 76% | 84% | |
| **Revenue** | **$12,391,762** | **$165,366,175** | **$193,037,481** | 2 |
| Campus Labor | $6,046,248 | $74,564,545 | $81,961,048 | |
| Rent | $2,814,001 | $34,657,854 | $35,678,363 | |
| Other Facilities | $1,453,551 | $17,396,343 | $17,900,858 | |
| Other Expenses | $809,727 | $9,417,050 | $9,666,745 | |
| **EBITDA** | **$1,268,236** | **$29,330,382** | **$47,830,467** | 2 |
| (+) Fees from Cosmic Asia | $62,500 | $1,500,000 | $1,750,000 | 3 |
| (+) JV Management Fees | $150,000 | $1,510,219 | $1,850,853 | 4 |
| (+/-) Minority Interest from JV | $0 | $501,766 | $3,252,207 | |
| **Operating EBITDA** | **$1,480,736** | **$32,842,368** | **$54,683,527** | |
| (-) G&A | -$1,120,296 | -$13,517,495 | -$14,193,369 | 5 |
| **Consolidated EBITDA** | **$360,440** | **$19,324,873** | **$40,490,157** | |

1. Includes 72 owned schools and 12 partner schools
2. Reflects cash flows from 72 owned campuses
3. Royalty payments from Cosmic Asia's 25 campuses
4. Cash flows from 12 minority owned campuses incl. $150K annual management fees and 33% of school level profits
5. Represents pro forma G&A incorporating cost reductions expected to be complete by Sep'25

# Guidepost Global—Credit Highlights

- **Ownership**: GGE is backed by new investment partners including Cosmic Education Group and Trilogy Group (owner of 2-Hour Learning), alongside existing investors Learn Capital, Yu Capital, and Venn Growth Partners.
- **Leadership**: A reconstituted, professionalized leadership team with a renewed focus on core operations and a strong commitment to free cash flow generation.
- **Network**: 72 wholly owned Guidepost campuses with a proven track record of enrollment growth and profitability.
- **Partnerships**: Contracted management fee income from Harmony Group and Cosmic Education Asia, projected to generate $3M+ in annual incremental cash flow, enabling a capital-light expansion strategy.
- **Focus**: Business model simplified to focus exclusively on brick & mortar schools—no longer operating homeschool, virtual, or middle/high school programs, nor developing proprietary LMS software
- **Balance Sheet**: Day-one cash balance of c.$7M. Importantly, GGE's portfolio is composed of mostly mature, cash flowing schools with no new campus developments, the primary source of historical cash burn

# Capitalization Details

## Equity

| Shareholder | Fully Diluted Ownership |
|---|---|
| Learn and Creditors | 62% |
| Cosmic | 30%(1) |
| EB5 | 8% |
| | **100%** |

(1) super-voting equal to 51%

## Debt

| Creditor | in Millions |
|---|---|
| WTI | $23.0 |
| Learn Notes | $12.0 |
| EB5 Project Loans | $7.0 |
| | **$42.0** |

Day 1 cash: c.$7M

# Landlord FAQs

- **Will I continue to receive timely rent payments?**
  **Yes.** Rent at all go-forward sites will continue to be paid on time, and in accordance with the lease (inclusive of any recent amendments).

- **What will happen my lease and the guaranty with Higher Ground Education?**
  Leases for go-forward campuses are being assigned to GGE or Cosmic Education Americas (more information below) as Tenant, and all campuses will have GGE as Guarantor. HGE will no longer serve as Guarantor, which GGE expects will be beneficial to landlords, given HGE's current state of bankruptcy and GGE's relatively strong financial position.

- **Who is Cosmic Education Americas (CEA), and why will some schools have CEA as a tenant while others will have GGE as a tenant?**
  As HGE became unable to service its debts, senior secured creditors foreclosed upon various Guidepost Montessori schools. Some schools were purchased by GGE, others by CEA, a new company representing Cosmic Education Group investors. CEA has since merged with GGE and is now a wholly-owned subsidiary of GGE. GGE operates and will guarantee the leases on **all** go-forward schools (including those owned by CEA). In other words, **there is no material difference between a school with CEA as a tenant vs. a school with GGE as tenant**.

- **So is GGE going to be the guarantor of my lease?**
  Yes. Leases of all go-forward campuses are in the process of being assigned to either CEA or GGE as tenant, but all will have GGE as their guarantor.

- **When will my lease be assigned to GGE?**
  The process of assignment has already begun, and is expected to be completed by the end of July or early August. GGE or its agents will notify you and share appropriate documentation as soon as the process is complete.

- **Why was I not given more notice or asked for my consent in assigning the lease to GGE?**
  Due to the sensitive nature of the bankruptcy process and the need to preserve the viability of the go-forward portfolio, HGE and GGE were limited in their ability to share information in advance. While we appreciate that additional notice would have been preferable, providing early disclosure may have undermined the stability of the transition, potentially harming both landlords and tenants.

- **What do I need to do now?**
  Nothing. The lease is in the process of being assigned to the go-forward structure, and we will send you confirmatory documentation shortly after the assignment is complete.

- **What is the downside of this new development?**
  There are no new risks for go-forward sites as a result of this transition. In fact, this transition is expected to strengthen the financial and operational position of the tenant and security provided to landlords. By consolidating operations under GGE and eliminating the legacy liabilities and challenges associated with underperforming locations, GGE is better positioned to continue operating the schools successfully and to meet its lease obligations.

- **I have another Guidepost property that has closed or is closing. What becomes of that property?**
  For properties that are not part of the go-forward portfolio, HGE or its agents are in the process of sending additional information to the landlord of each property. This packet contains information regarding the filing as well as contact information for any additional questions, and is expected to arrive on or about 6/27/2025.