



Lipigo

Business Track

Slovakia
Grammar School, Poštová 9
2025/2026
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Summary

Vision

Our goal is to create a world where children's creativity is not limited by the fear of accidents. We believe that every child has the right to create, explore, and experiment freely without parents having to worry about their safety. We are students who noticed a problem that others overlooked and decided to solve it.

Product

Our product is an edible glue made from food-grade ingredients, specifically designed to eliminate the risks associated with accidental ingestion. It is fully washable with water, even cold water, without the need for aggressive cleaning agents or washing machines, and is produced with full environmental responsibility, including recyclable packaging.

Why Lipigo?

- ✓ Edible glue
- ✓ Soluble in water
- ✓ Made for children
- ✓ Eco-friendly

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5,224€
Overall turnover



94
Kindergartens reached



817
Products sold



82%
Municipal penetration

Contact Information



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Poštová 9, Košice,
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Problem & Solution

The problem

Glue is a fundamental part of childhood creativity. Every child will use adhesives while learning, playing, and developing essential skills. Yet most conventional glues were designed primarily for bonding performance rather than child safety. Children naturally explore the world through touch and often place objects in their mouths, creating a risk of accidental ingestion. At the same time, glue frequently ends up on skin, clothing, hair, and furniture, where it can be difficult to remove.

40
Seconds

False safety

Even glues marketed “for children” overlook the biggest danger: accidental ingestion. A child under six is exposed to a potentially toxic substance roughly every 40 seconds - yet kids glues focus on being non-toxic on skin, not on what happens when it is swallowed.

The solution

Lipigo was founded to challenge the way children's adhesives are designed. While the industry has focused on bonding performance for decades, our priority is to focus on children. Our goal is to make creative activities safer for children, easier for parents and educators, and more responsible toward the environment by eliminating unnecessary risks that have long been accepted as normal.

Lipigo glue

Our product is an edible glue made from food-grade ingredients, available in both powder based and ready-to-use liquid forms. It directly addresses these challenges by being safe if accidentally ingested, fully washable even with cold water, and designed with full ecological responsibility, including recyclable packaging. While the liquid version offers maximum convenience, the powder-based format remains stable until prepared, eliminating the risk of drying out when accidentally left open, extending product shelf life and offering additional educational benefit when preparing .



Production

The production process for Lipigo started with determining the ideal ingredient ratio. Over 4 months, we tested different formulations in a school laboratory and consulted with experts, including teachers, university professors, and scientists from the Slovak Academy of Sciences. The production process takes place in a designated, adapted facility where the team prepares batches according to a precise formulation procedure. One batch (100 units) of any product version takes approximately 7 man-hours, which allows continuous quality control and consistency of each package.



Scientific verification

When attempting to commercialize our product through third-party distributors, we encountered a regulatory obstacle: the absence of verification. To operate professionally and comply with legal requirements, we addressed this issue and obtained independent verification from the Slovak Academy of Sciences (SAS), confirming that our product's composition matches the declared ingredients. This strengthened our credibility and supported further expansion.

Version	Production costs	Unit price	Margin per unit	Units sold	Turnover	Weeks on sale
Small	1.21€	3.90€	69%	78	304.2€	4
Medium	1.87€	6.90€	73%	590	3,528.4€	18
Large	2.70€	10.90€	75%	112	1,172.8€	4
Liquid	1.50€	5.90€	75%	37	218.3€	1

Composition



Inventory & Planning

To ensure efficient production planning, we maintain detailed Excel spreadsheets to track our inventory levels. Additionally, we analyze the purchasing patterns of our clients, especially kindergartens, to predict future orders and prepare products in advance, reducing waiting times while avoiding excess inventory. The company also conducts an inventory review to ensure sufficient levels of materials and finished products.

Inventory rule

Maintain a minimum inventory of 100 units of all products at all times.

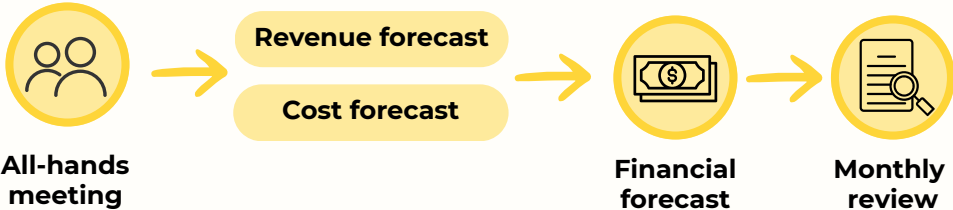
Product range

We initially launched our product in a 90g powder format. Following its success, we expanded the range to include additional powder sizes (30g and 200g) as well as a 120ml liquid version.



Financial Management

Our financial management is based on a monthly planning and review cycle. At the beginning of each month, the company holds an all-hands meeting where each department presents its operational plan together with a revenue forecast and a cost forecast. Revenue forecasts are based on historical sales data, customer purchasing behavior, and expected demand. For example, our sales department estimates future orders from kindergartens based on previous purchasing patterns and ongoing negotiations, while cost forecasts estimate planned expenditures such as raw materials, packaging, exhibition stands, ect. These forecasts are combined into a company wide financial forecast, which serves as the main tool for financial planning. As an example, based on our financial forecast, we postponed the purchase of additional marketing materials by one month in order to prioritize raw material purchases needed to fulfill confirmed kindergarten orders. At the end of each month, actual results are compared with forecasts to improve planning accuracy and evaluate financial performance.



The golden rule

Every planned expense must have a clear expected impact on sales, product quality, or market growth.

Pricing

After conducting market research and analyzing both the competitive landscape and production costs, we developed a tiered pricing strategy for our product portfolio. Lipigo products are available in multiple sizes and formats, with retail prices ranging from €3.90 to €10.90. Educational institutions and retail chains receive volume discounts of up to 23%. Despite its superior safety and environmental benefits, Lipigo remains highly competitive. On a cost-per-100 ml basis, Lipigo is comparable to conventional children's glues, while offering food-grade ingredients, safe accidental ingestion, and complete washability with water.

Version	Unit Price	Margin per Unit	Unit Price (10+ pcs)	Margin per Unit (10+ pcs)	Unit Price (100+ pcs)	Margin per Unit (100+ pcs)
Small	3.90€	69%	3.50€	65%	3.00€	60%
Medium	6.90€	73%	5.50€	66%	5.00€	63%
Large	10.90€	75%	8.50€	68%	7.50€	64%
Liquid	5.90€	75%	4.50€	67%	4.00€	63%

Optimization and cost reduction

▼ **32%** Lower production cost overall

In the initial phase of production, we experienced problems with sealing the packaging due to the insufficient performance of the original sealing device. Therefore, we invested in a professional machine that ensures reliable and durable sealing, improving both the quality and durability of the product.

At the same time, we invested in partial automation of the production process. Thanks to a new dosing machine, we are now able to produce up to 100 units in 7 man-hours instead of 50, which increases productivity by 100%. Given the 21% reduction in cost per unit, the machine will pay for itself after just 1200 units produced.

We also found a more cost-effective supplier of gum arabic, which reduced production costs by 14% without any compromise in quality. Combined, these optimizations resulted in an overall reduction of production costs by 32%.

▲ +100% productivity

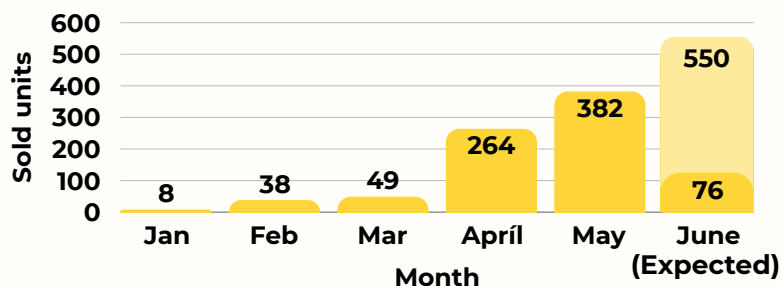
▼ -21% cost/unit

▼ -14% materials

Row	Profit and Loss account	Sum
A	Sales	5,223.70€
B	Cost of Sales	1,805.58€
C	Gross Profit (A-B)	3,418.12€
D	Salaries, Commissions and Bonuses	364.00€
E	Stationery	15.37€
F	Rent	0.00€
G	Marketing	284.73€
H	Miscellaneous Expenditure	216.54€
I	Registration fee	10.00€
J	Total Expenses (D+E+F+G+H+I)	890.64€
K	Gross Profit less Total Expenses (C-J)	2,527.48€
L	Miscellaneous Income	0.00€
M	Profit (or Loss) (K+L)	2,527.48€
N	Corporation Tax payable (10%)	252.75€
O	Profit after Tax (M-N)	2,274.73€

X	Appropriations of Profit (Y+Z)	2,274.73
Y	Dividends	1,592.31€
Z	Others	682.42€

Sold units per month

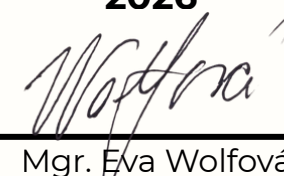


Row	Balance Sheet	Sum
Assets		
	Stock	1,105.42€
	Receivables	0.00€
	Cash at Bank	1,795.91
	Cash in Hand	426.15€
(A)	Total Assets	3,327.48€
Liabilities and shareholders' Equity		
	Bank Overdraft	0.00€
	Loans	0.00€
	Corporation Tax payable (10%)	252.75€
	VAT Due	0.00€
	Other Liabilities	0.00€
	Issued share Capital: 100 Shares at 8€	800.00€
	Profit & Loss Account (Profit after Tax)	2,274.73€
(B)	Total Liabilities and shareholders' Equity	3,327.48€

Financial analysis

Lipigo achieves above-average profitability through high product margins, recurring B2B demand, and continuous production optimization. Our gross profit margin reaches 65.4%, while our net profit margin stands at 43.5%. Our variable costs amounted to 67% of total costs, while fixed costs totalled 33%. This is driven by low-cost food-grade ingredients, a unique safety value proposition, and repeat purchases from kindergartens. Production improvements that doubled productivity and reduced manufacturing costs by 32% further support profitable growth. The current net profit margin is also positively influenced by the lower wage structure typical of JA student companies. As Lipigo expands into a standard commercial operation, profitability is expected to gradually converge toward industry levels.

Financial analysis prepared as of 5th of July 2026


Mgr. Eva Wolfová

Wages

Based on all the optimizations we have implemented, we have improved efficiency and reduced overall costs. As a result, we are now able to set a fixed hourly wage of €2 per hour for everyone, increased from €1 per hour. This change reflects the overall improvements in our processes and resource management.

1€/h



2€/h

ROE

$$ROE = \frac{2,274.73€}{3,074.73€} = 74\%$$

Lipigo achieved a Return on Equity (ROE) of 74%, meaning the company generated €0.74 of profit for every €1 of shareholders equity. This reflects the strong profitability of our business model and our ability to efficiently convert invested capital into earnings.

Sales

817
units sold

94
Kindergartens

4
Retailers

B2B

69% of sales

Since launching Lipigo, we have supplied our glue to 94 kindergartens, 89 of which are located within the Košice municipality. This growth was supported by a deal with the City of Košice, which purchased Lipigo for its network of municipal kindergartens. We have also established partnerships with stationery retailers and currently supply four stores across Slovakia, including Reflex Plus in Košice and Zelený Obchod in Bratislava. To date, we have sold 565 units through B2B channels, representing 69% of total sales, and aim to increase this share to over 80%. We focus primarily on kindergartens because they benefit most from Lipigo and represent an attractive customer segment. Young children use glue frequently, while teachers supervise large groups, making safety and easy cleanup especially important. In addition, kindergartens place larger orders and generate recurring demand through repeat purchases, making growth more efficient and predictable. Partnerships with stationery retailers allow us to reach parents and other customers without operating our own stores.

B2C

31% of sales

Our B2C strategy is based on easy product availability. We sell during sales days in shopping centers and online through our website www.lipigo.sk. Customers can choose delivery by mail via Slovak Post or free and immediate pickup at a Quizzo distribution point. This approach ensures a straightforward and convenient shopping experience for all customers.

Used by

82%

Of our municipality
kindergartens

The municipality

Because each municipality has its own procedures and decision-making process for supplying public kindergartens, we focused on proving that Lipigo could successfully penetrate an entire municipal network before expanding further. Today, Lipigo is used in 89 kindergartens across the Košice municipality, representing more than 82% of all kindergartens in the municipality.

Recurring demand

A key indicator of market acceptance is the number of repeat customers. During the reporting period, 53 kindergartens placed additional orders after their initial purchase, demonstrating strong product adoption and customer retention. As many kindergartens joined only recently, this number is expected to grow further. These repeat orders validate Lipigo's long-term value proposition and support future growth.

Target market

Lipigo operates within the growing children's arts and crafts market, valued at over €10 billion in Europe. Schools and educational institutions account for approximately 38% of regional demand for creative materials, making kindergartens our primary B2B target segment. At the same time, safety-conscious parents represent an attractive B2C market, driven by recurring purchases of creative supplies for home use.

Competition

Our closest direct competitor is Rayher children's glue, which uses more natural ingredients but still does not eliminate the risks associated with accidental consumption. Other ecological brands, such as Kores and ökoNORM, focus primarily on environmental sustainability rather than addressing child-specific safety challenges. Indirect competition consists of conventional office and school adhesives, which are widely available but lack the safety, ingredient transparency, and practical benefits offered by Lipigo.

	Lipigo	Rayher	Ecological glues	Office glues
Edible	✓			
Soluble in Water	✓	✓	✓	
Eco-Friendly	✓	✓	✓	
Long Shelf Life	✓			✓
Aimed at children	✓	✓		

Promotion

Media appearances

Media exposure became one of the strongest drivers of Lipigo's brand awareness. Lipigo was featured on TV Markíza's Teleráno, Slovakia's most-watched morning television programme; STVR Regina and Rádio Regina, part of Slovakia's national public broadcaster STVR; Rádio Košice, the leading regional radio station in Eastern Slovakia and Startitup and Korzár, two of Slovakia's most recognized digital media platforms.



250K+
viewers



750K+
listeners



300K+
readers

1.3M+ Potential reach

Feedback

Customer feedback is systematically collected through questionnaires distributed to kindergartens and a QR code printed on the back of every package. The feedback received was overwhelmingly positive, with educators particularly appreciating Lipigo's safety and support for creative learning. This feedback helps us continuously improve the product and better meet customer needs.

"With Lipigo, we no longer have to worry about it drying out when a child leaves it open."
- Kindergarten Watsonova 2, Košice

92%

Positive
Feedback
Rate



260,000+

Total views across our channels

120K

Total views from
paid ads



140K

Total social
media views



Social media

Instagram became the primary pillar of our promotion strategy. Through Instagram and TikTok, we focused on short-form video content combining educational value, humor and emotional storytelling related to children's creativity and safety. Instead of traditional product advertising, we built our communication around real-life situations familiar to parents such as children getting glue on their hands, clothes, hair or accidentally tasting it. This approach significantly increased engagement and brand awareness among our target audience. Supported by targeted paid advertising campaigns, our content achieved over 120,000 views, significantly expanding our reach and strengthening Lipigo's brand awareness among parents and educators across Slovakia. Shopify analytics further confirmed the effectiveness of this strategy, attributing 77 product sales directly to social media traffic.

Personal demonstrations

One of our strongest promotion channels was direct product presentation. Through demonstrations in kindergartens, sales events and public exhibitions, we introduced Lipigo directly to children, parents and educators. Personal interaction allowed customers to experience the product firsthand, significantly increasing trust, generating valuable feedback and creating new partnership opportunities, while educating families and educators about safer creative materials for children.

Total number of personal
demonstrations

27

Future Cooperation Interest
After Product Demonstrations

89%

Management

Agile management

The Agile approach allows us to react quickly to customer feedback and adapt to changing market needs. Our decisions are based on customer feedback, sales data, and social media performance, enabling us to make informed decisions and identify new opportunities for growth. For example, when a kindergarten informed us that our glue had an unpleasant smell, we quickly modified the formula by replacing maltodextrin, improving the product and better meeting customer expectations. We organize our work through weekly Scrum sprints, where we set goals, assign tasks, and evaluate results.

Continuous improvement

Following the Kaizen philosophy, we continuously improve our processes. One example was the semi-automation of our production process, which increased efficiency, reduced manual work, and helped us scale production more effectively. Combined with the analysis of customer feedback, sales data, and operational performance, this allows us to identify bottlenecks, implement improvements quickly, and make data-driven decisions across the business.

Results

This combination of Agile management, Lean management and Continuous improvement principles help us stay flexible, innovative, and focused on continuous growth while ensuring that we can respond quickly to both challenges and new opportunities.

Lean management

Thanks to our lean management structure, we encourage open communication and active participation from all 17 team members. Every member can contribute ideas, take part in decision-making, and has clearly defined responsibilities, ensuring effective coordination of marketing, finance, production, and sales activities.



MS Planner

- manage projects
- track progress
- maintain transparency



MS Teams

- regular meetings
- helps us address challenges

Employee reward system

To recognize and reward exceptional contributions beyond standard responsibilities, we introduced an AI-powered bonus system based on the Claude Opus 4.8 model. The system tracks performance, task completion, teamwork, and individual contributions, evaluating employees based on measurable results, collaboration, initiative, and impact on company operations.

The system is supervised by the Vice President of Human Resources to ensure transparency and fairness. At the end of each month, it automatically generates a company-wide performance ranking that is visible to all employees. The highest-ranked employee each month receives the title Employee of the Month and a €25 bonus. The system also recognizes outstanding creativity and continuous improvement through the Best Innovator of the Month award. For example this award was awarded to the person that suggested creating a smaller version of our glue. The system promotes motivation, responsibility, healthy competition, and collaboration while rewarding meaningful contributions to the company's long-term success.



Peter Džupka
CEO



Veronika Borbelová
VP



Peter Repko
CHRO



Branko Svoboda
CPO



Tobias Bekeč
CMO

Our Development

The goals we set

GOALS	Business plan	Status quo	Future Plans
Date	16.12.2025	5.6.2026	1.9.2026
Sold units	300	817	2,100
Turnover	1,759.50€	5,223.70€	13,426.90€
Profit (or Loss)	1,111.50€	2,527.48€	6,496.58€
Kindergardens using Lipigo	30	89	200

Having exceeded all major targets in our original business plan, we have set more ambitious goals for the next phase of growth. Our objective is to reach 200 kindergartens by September 2026 by expanding our municipal partnership model to additional municipalities across Slovakia. We also plan to strengthen our retail presence and increase production capacity to support continued growth.

Personal development

During our journey, we learned that success depends not only on hard work, but also on accountability, teamwork, and adaptability. As a team, we improved our communication, coordination, and ability to turn long-term goals into actionable plans. Managing deadlines was initially challenging, but our Employee Reward System helped us become more organized and responsible. Trade fairs and competitions taught us how to stay focused under pressure and represent our company professionally. We also learned how to turn unexpected challenges into opportunities. For example, when our supplier ran out of gum arabic, we quickly found a higher-quality alternative at a lower price, reducing costs while improving our product. These experiences helped us grow into a stronger, more professional, and more resilient team.

Biggest Challenges

Deals with retail stores

One of the initial challenges was establishing cooperation with institutions. A turning point came when we shifted to a direct, personal approach. We visited the stationery store Reflex and demonstrated Lipigo directly in a kindergarten group of children. This approach proved to be significantly more effective and led to our first partnerships.

Difficulty of solving:



Recipe

At the beginning of product development, we faced issues with unstable formulation and inconsistent raw material quality. Basic ingredients led to variable results, so the goal was to develop a clean formula free of unnecessary additives while keeping the product affordable. Switching to premium natural extracts significantly improved both stability and overall purity. At the same time, it was necessary to select suitable preservatives for the liquid version to ensure its long-term stability.

Difficulty of solving:



Motivation

As Lipigo grew, ensuring that all employees remained equally motivated became a significant challenge. In a student company environment, where financial rewards are limited, it was often difficult to objectively recognize initiative, extra effort, and exceptional contributions. To address this issue, we introduced an employee reward system based on innovation, engagement, and results.

Difficulty of solving:



Future

Near Future

We are currently present in over 82% of kindergartens within the Košice municipality. Building on this success, we plan to expand into new municipalities across Slovakia and establish distribution agreements with 200 additional kindergartens over the next three months. By the end of 2026, we aim to fully penetrate three additional municipalities. To support this expansion and prepare for increased demand at the beginning of the new school year, we plan to establish a partnership with Packeta, enabling access to a nationwide network of pickup points across Slovakia. In addition, we plan to invest in a higher-capacity industrial mixing machine capable of producing larger batches efficiently, enabling us to scale production and meet growing demand.

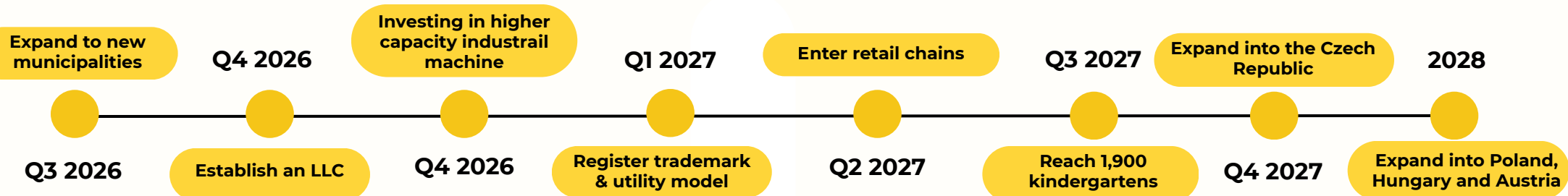
Long-term

In the long term, we aim to transform Lipigo into a sustainable business by establishing our own limited liability company. Based on our projected growth, we expect to generate sufficient revenue to support a limited liability company with five full-time employees by the end of 2027. During 2027, we plan to achieve nationwide coverage by expanding to approximately 1,900 kindergartens across Slovakia. At the same time, we aim to enter major retail chains and stationery retailers, such as Ševt and Titi. These partnerships will serve as a gateway to European Union markets as they will allow us to leverage existing distribution networks and logistics infrastructure rather than building separate channels in each country.

We plan to begin expansion into the Czech Republic during 2027, followed by Poland, Hungary, and Austria during 2028. To support long-term growth, we will invest in intellectual property protection through the registration of a trademark and utility model. We estimate these costs at approximately €1,000, enabling us to protect the Lipigo brand and safely expand into international markets. Achieving these goals will require full production automation. We estimate an investment of approximately €15,000 for industrial mixing, packaging, and labeling equipment. This will enable us to establish a manufacturing facility in Slovakia, fully automate production, and support expansion across Europe. At the same time, we plan to reduce direct production costs by approximately 27% through bulk purchasing of packaging materials and labels, improving profitability and scalability. To secure protection across Europe, we will apply for a European patent.

Fundraising

Achieving our growth objectives will require additional capital. To support this transition, we are in discussions with a private investor interested in investing after the establishment of a limited liability company. We have signed a Letter of Intent for a €10,000 investment in exchange for a 20% equity stake, implying a €50,000 valuation. In parallel, we are in contact with a U.S.-based investor interested in acquiring exclusive commercialization rights for the American market, subject to successful patentability in the United States. Lipigo is currently undergoing Eurofins testing against U.S. standards. Following testing, we plan to negotiate the sale or licensing of U.S. market rights, providing additional capital for international expansion.



Special thanks to

**Eva Wolfová
Dominika Hakulinová
Jozef Domonkoš
Tomáš Talárovič
Matej Mach
Ján Bača
Emil Šlachtič
Reflex Plus
Quizzo Košice
City of Košice
Zelený obchod
UVP Technicom
Our Families**

