

ITEM 19. FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Presented below are Total Sales and Net Sales data, and certain revenue, cost and expense data, for 2025 for all Schools that had been operating for more than one year as of December 31, 2025, and were in operation during all of 2025. Additional information is included in the notes below the chart. Please carefully read all of the information in this Item 19, and all of the notes following the chart, in conjunction with your review of the historical data.

[Remainder of Page Intentionally Left Blank]

	Column A Affiliate- Owned 2025 System Average Open 12+ Months	Column B Affiliate- Owned 2025 System Average Open 24+ Months	Column C Franchise-Owned 2025 System Average Open 12+ Months	Column D Franchise-Owned 2025 System Average Open 24+ Months	Column E Franchise-Owned 2025 System Average Open 36+ Months
Total Sales	\$598,283	\$636,996	\$587,341	\$605,064	\$612,720
Schools Attaining Average	4 of 9	4 of 8	15 of 47	15 of 44	15 of 42
Median	\$591,903	\$637,749	\$541,256	\$550,219	\$557,967
Highest Number in Range	\$1,015,198	\$1,015,198	\$1,349,020	\$1,349,020	\$1,349,020
Lowest Number in Range	\$288,580	\$379,983	\$198,937	\$198,937	\$198,937
Private Lessons (including DJ)	\$427,345	\$454,271	\$429,192	\$444,522	\$451,004
Schools Attaining Average	5 of 9	4 of 8	19 of 47	16 of 44	16 of 42
Median	\$434,094	\$446,486	\$380,768	\$399,754	\$413,501
Highest Number in Range	\$768,194	\$768,194	\$1,010,580	\$1,010,580	\$1,010,580
Lowest Number in Range	\$211,937	\$275,552	\$22,461	\$22,461	\$22,461
Band, Group, Early Childhood (including DJ)	\$105,943	\$111,736	\$104,765	\$106,935	\$108,281
Schools Attaining Average	3 of 9	3 of 8	21 of 47	19 of 44	19 of 42
Median	\$103,797	\$104,761	\$88,674	\$89,213	\$89,879
Highest Number in Range	\$172,490	\$172,490	\$279,563	\$279,563	\$279,563
Lowest Number in Range	\$59,594	\$67,054	\$18,770	\$18,770	\$18,770
Camps (including DJ)	\$47,532	\$52,426	\$30,012	\$30,410	\$30,576
Schools Attaining Average	3 of 9	2 of 8	25 of 47	23 of 44	22 of 42
Median	\$30,521	\$36,987	\$31,676	\$31,807	\$31,807
Highest Number in Range	\$126,534	\$126,534	\$64,879	\$64,879	\$64,879
Lowest Number in Range	\$8,376	\$12,705	\$6,076	\$6,076	\$6,076
Parties (including DJ)	\$7,858	\$8,490	\$3,721	\$3,645	\$3,456

Schools Attaining Average	3 of 9	3 of 8	24 of 47	22 of 44	21 of 42
Median	\$6,311	\$6,625	\$3,758	\$3,623	\$3,403
Highest Number in Range	\$20,438	\$20,438	\$10,153	\$10,153	\$10,153
Lowest Number in Range	\$2,228	\$2,228	\$0	\$0	\$0
Other: Retail, Studio, Satellite, Events	\$7,459	\$7,724	\$12,383	\$11,789	\$11,906
Schools Attaining Average	6 of 9	6 of 8	14 of 47	15 of 44	15 of 42
Median	\$7,762	\$7,915	\$9,745	\$9,668	\$9,668
Highest Number in Range	\$15,107	\$15,107	\$51,671	\$51,671	\$51,671
Lowest Number in Range	\$0	\$0	\$2,574	\$2,574	\$2,574
Less: Discounts	(\$27,321)	(\$28,174)	(\$27,595)	(\$28,329)	(\$28,545)
Schools Attaining Average	5 of 9	4 of 8	28 of 47	27 of 44	27 of 42
Median	(\$23,699)	(\$26,149)	(\$24,589)	(\$25,385)	(\$25,385)
Highest Number in Range	(\$15,659)	(\$15,659)	(\$1,989)	(\$1,989)	(\$1,989)
Lowest Number in Range	(\$44,055)	(\$44,055)	(\$78,915)	(\$78,915)	(\$78,915)
Less: Cost of Goods Sold	(\$3,719)	(\$4,053)	(\$3,219)	(\$3,081)	(\$3,141)
Schools Attaining Average	6 of 9	6 of 8	25 of 47	25 of 44	24 of 42
Median	(\$3,404)	(\$3,457)	(\$2,996)	(\$2,842)	(\$2,842)
Highest Number in Range	(\$696)	(\$696)	\$14,082	\$14,082	\$14,082
Lowest Number in Range	(\$10,793)	(\$10,793)	(\$17,403)	(\$17,403)	(\$17,403)
Net Sales	\$567,243	\$604,768	\$556,736	\$561,125	\$577,053
Schools Attaining Average	4 of 9	4 of 8	15 of 47	14 of 44	14 of 42
Median	\$558,914	\$597,472	\$519,892	\$521,352	\$526,439
Highest Number in Range	\$962,164	\$962,164	\$1,270,105	\$1,270,105	\$1,270,105
Lowest Number in Range	\$267,038	\$360,920	\$182,730	\$182,730	\$182,730
Direct Instructional Costs	\$149,783	\$158,951	\$147,065	\$150,655	\$152,885
Schools Attaining Average	6 of 9	4 of 8	17 of 47	16 of 44	16 of 42
Median	\$151,003	\$155,378	\$133,327	\$135,382	\$138,293
Highest Number in Range	\$223,978	\$223,978	\$378,234	\$378,234	\$378,234
Lowest Number in Range	\$76,442	\$98,968	\$49,225	\$49,493	\$49,493
Salary/Benefits/Taxes	\$151,624	\$150,599	\$130,906	\$132,510	\$132,489
Schools Attaining Average	5 of 9	4 of 8	21 of 47	19 of 44	18 of 42
Median	\$156,426	\$148,728	\$124,584	\$120,307	\$120,307

	Highest Number in Range	\$209,483	\$209,483	\$342,454	\$342,454	\$342,454
	Lowest Number in Range	\$93,017	\$93,017	\$231	\$36,809	\$36,809
All Other		\$58,937	\$60,329	\$62,283	\$63,314	\$63,939
	Schools Attaining Average	3 of 9	3 of 8	18 of 47	17 of 44	17 of 42
	Median	\$47,807	\$50,002	\$55,644	\$56,393	\$57,648
	Highest Number in Range	\$92,673	\$92,673	\$118,330	\$118,330	\$118,330
	Lowest Number in Range	\$41,931	\$41,931	\$26,605	\$26,605	\$26,605
Total Site G&A		\$210,561	\$210,928	\$196,319	\$199,304	\$200,112
	Schools Attaining Average	3 of 9	3 of 8	20 of 47	19 of 44	17 of 42
	Median	\$207,630	\$198,730	\$188,111	\$183,359	\$183,359
	Highest Number in Range	\$302,156	\$302,156	\$460,215	\$460,215	\$460,215
	Lowest Number in Range	\$134,948	\$134,948	\$40,682	\$70,100	\$70,100
Total Marketing		\$41,881	\$42,513	\$41,165	\$41,043	\$41,280
	Schools Attaining Average	4 of 9	3 of 8	26 of 47	26 of 44	25 of 42
	Median	\$40,391	\$41,365	\$42,061	\$42,846	\$43,811
	Highest Number in Range	\$56,243	\$56,243	\$78,979	\$78,979	\$78,979
	Lowest Number in Range	\$35,390	\$35,390	\$13,663	\$13,663	\$13,663

Notes to Chart

General Note: The column headings above state that the figures are “averages.” To be clear, the first dollar figure in each cell, row, or column, that appears in “**bold text**” is the average figure for that cell.

1. The Chart reflects the Total Sales, Net Sales, and certain revenue, cost and expense data in 2025 for all Schools that have been operating for more than one year as of December 31, 2025, and were in operation during all of 2025. The total sample size includes 9 affiliate-owned Schools and 47 franchised Schools. As of December 31, 2025, all 9 affiliate-owned Schools that are included in this Item 19 were open and operating for more than one year, and 8 of the affiliate-owned schools were open and operating for more than two years (reflected in Column B). One affiliate-owned school opened for the first time during 2023, and that School is excluded from this Item 19 as it was closed for part of 2024 due to flooding and mold remediation.

In addition, 47 franchised Schools were open and operating for more than one year as of December 31, 2025 (reflected in Column C); 44 (of the 47) franchised Schools were open and operating for more than two years as of December 31, 2025 (reflected in Column D); 42 (of the 47) franchised Schools were open and operating for more than three years as of December 31, 2025 (reflected in Column E). Three new franchised Schools opened for the first time during 2025 and one franchised school—which was open for more than 12 months—closed during 2025. Those Schools are excluded from this Item 19.

2. The Schools in the Chart are operated by our affiliates and franchisees. All of the Schools are considered standard Schools and utilize the System, Courses, instructional guides and curriculum. They all offer the same, or essentially the same, Courses, but the actual mix of Courses and number of programs and offerings will vary due to student demand, historical experience, and other factors. All of the Schools in the sample offered some of the Core Courses online. All of the Schools in the sample were permitted to offer the AMS Online Classes, but not all of them chose to do so. Sales from online programs are comingled with in-person sales of the same type (e.g., “Private Lessons” includes both online and in-person Private Lessons). The size of the Schools varies from 1,864 square feet to 5,637 square feet.
3. “Total Sales” represents the actual total sales for each School in the sample for the period January 1, 2025 to December 31, 2025. All of the Schools in the sample offered some of the Core Courses online. All of the Schools in the sample were permitted to offer the AMS Online Classes, but not all of them chose to do so. In 2023, the Beat Refinery program became part of our Core Program offering. Accordingly, the Total Sales also includes sales derived from Schools offering the Beat Refinery program as part of the Core Program. All of the Schools in the sample were permitted to offer the Beat Refinery programming, but not all of them chose to do so. Of the 9 affiliate-owned Schools, 8 generated sales from the Beat Refinery program. Of the 47 franchised Schools open and operating for more than one year as of December 31, 2025, 30 generated sales from the Beat Refinery program. Of the 44 franchised Schools open and operating for more than two years as of December 31, 2025, 28 generated sales from the Beat Refinery program. Of the 42 franchised Schools open and operating for more than three years as of December 31, 2025, 26 generated sales from the Beat Refinery program. “Total Sales” includes all revenue from the sale of all Courses, services and products offered to customers and clients at or from the School or online. The Total Sales data figures are compiled by our affiliates that operate the Schools,

or by our franchisees, and they are reported to us. We have not audited or verified the reports, nor have our affiliates or our franchisees confirmed that their reports are prepared in accordance with generally accepted accounting principles. The Total Sales of each School is subdivided into six major subcategories of revenue: private lessons; band, group and early childhood classes; camps; parties; and other revenue sources. These subcategories include sales for which customers do not pay for the services or products such as donations and free lessons.

4. “Net Sales” represents the actual net sales for each School in the sample for the period of January 1, 2025 to December 31, 2025. All of the Schools in the sample offered some of the Core Courses online. All of the Schools in the sample were permitted to offer the AMS Online Classes, but not all of them chose to do so. In 2023, the Beat Refinery program became part of our Core Program offering. Accordingly, the Net Sales also includes revenue derived from Schools offering the Beat Refinery program as part of the Core Program. All of the Schools in the sample were permitted to offer the Beat Refinery programming, but not all of them chose to do so. Revenues from online programs are comingled with in-person sales of the same type (e.g., “Private Lessons” includes both online and in-person private lessons). “Net Sales” includes all revenue from the sale of all Courses, services and products offered to customers and clients at or from the School or online, less Discounts and Costs of Goods Sold. The Net Sales data figures are compiled by our affiliates that operate the Schools, or by our franchisees, and they are reported to us. We have not audited or verified the reports, nor have our affiliates or our franchisees confirmed that their reports are prepared in accordance with generally accepted accounting principles. As is evident from the chart generally, the net sales of Schools that have been open longer tend to be greater than the Schools with a shorter operating history.
5. “Schools Attaining Average” means the number of Schools within the sample, and within the specific time period identified (e.g., “24+ months”) that attained or exceeded the “Average” for that time period.
6. “Median” means the data point that is in the center of all data points used in the sample, with an equal number above and below the mid-point. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two. In the event the number of data points is an odd number, the median is the center number.
7. “Highest Number in Range” means the highest number in a given range of numbers.
8. “Lowest Number in Range” means the lowest number in a given range of numbers.
9. “Discounts” reflect promotional discounts, sibling discounts, employee discounts, donations, free lessons and similar reductions.
10. “Cost of Goods Sold” includes the costs and expenses related to retail items (e.g., guitar picks, drum sticks, guitar strings) and curriculum materials (e.g., books).
11. “Direct Instructional Costs” includes costs and expenses related to the provision of classes, Courses and programs, including salaries, wages and benefits for teachers and other instructional staff who teach or otherwise provide instructional programming. Instructional Costs do not include the salaries of the site director, assistant director, or any manager, except to the extent a portion of their time is used in teaching or delivering instructional

programs or services. Also included in Instructional Costs are the costs for instructional materials used in the Courses, or provided to students.

12. "Total Site G&A" includes the salaries, wages, overtime, commissions, taxes, benefits and bonuses paid to the schools' administrative staff such as the site director, assistant director, administrative assistant and music director. (If the franchisee is acting as the Site Director, assistant site director, administrative assistant and/or music director, salaries, wages, overtime, commissions, taxes, benefits and bonuses may or may not be included. We do not receive that data from our franchisees.) It also includes monthly Harmony Gateway license fees, copyright fees, equipment repair, telephone, ISP, postage, office supplies, meals and entertainment, minor equipment purchases and repairs, insurance, credit card fees, bad debt, travel and lodging, and training costs associated with operating the school. It does not include rent, building services, facilities repair/maintenance, utilities or real estate taxes.
13. "Marketing" includes the National Brand Fund contribution (which increased from 2% to 3% of Gross Sales in March 2025, and which each affiliate-owned School is required to pay) plus the cost of paid media, design, and production. It includes advertising, marketing, promotional programs, campaigns, and media; developing, creating, planning and purchasing advertising campaigns in various media; purchasing media space or time (including all associated fees and expenses); developing and implementing direct mail advertising; conducting and administering promotions, contests, giveaways, public relations events, community involvement activities, etc.; purchasing promotional items; developing point-of-purchase (POP) materials, designs and photographs; conducting and administering visual merchandising, and other merchandising programs; conducting market research and customer satisfaction surveys; developing and implementing customer loyalty and gift card programs, and customer and student retention programs; the creative development of, and actual production associated with, premium items, giveaways, promotions, print ads, outdoor ads, direct mail, press releases, contests, Battles of the Band, and Music Showcase recitals. Affiliate-owned marketing costs are not incurred on a per site basis. Instead, the costs are allocated based on the number of affiliate-owned locations.
14. The cost and expense data does not reflect all of the costs of sales, costs of goods, operating expenses or other costs or expenses that must be deducted from gross revenue or net sales to obtain a net income or net profit figure. Examples of costs that are not included are: rent and other occupancy costs; utilities, equipment lease costs; debt service and financing costs; business and regulatory fees and licenses; recruitment expenses; and bookkeeping, accounting, legal and other professional services. In addition, a franchisee will have royalty payments (7%) and/or contributions to the Regional Fund or Cooperative, if established. Examples of costs that are included are: National Brand Fund contributions, Harmony Gateway license fees, copyright fees, salary, wages, taxes and benefits for managers, site directors, assistant directors and non-instructional staff; music, audio, video and instrumental equipment, telephone and internet service; advertising and marketing costs; voluntary employee benefits, such as health, vacation or pension plan contributions; insurance; and ongoing and supplemental training expenses. Your costs will vary from those of the Schools in the chart, and costs will likely vary from School to School, and from franchisee to franchisee. For example, your labor costs and management costs will vary based on geography, demographics, economics, and market conditions, as well as items about which you and other business owners have wide discretion, such as whether to provide certain employee benefits (e.g., vacation, health care, and pension or retirement

benefits), the type of benefits provided and the scope or value of those benefits, and whether the franchisee owner will pay himself/herself any compensation.

We are not aware of any material differences, except as described above, between the affiliate-owned and franchised Schools and the franchises being offered in this disclosure document.

Federal and state franchise laws permit us to include in Item 19 either (a) historic financial performance representation about the franchise system's existing outlets or a subset of those outlets, or (b) a forecast of the prospective franchisee's future financial performance. The information in this Item 19 and the Chart above reflects historical data for the Total Sales, Net Sales, and certain costs and expenses of 9 affiliate-owned and 47 franchised Bach to Rock Schools, and is not a forecast of future financial performance or a projection.

You are strongly advised to perform an independent investigation of this opportunity to determine whether or not the franchise may be profitable and to consult your attorney, accountant, and other professional advisors before entering into a Franchise Agreement. You should construct your own pro forma cash flow statement, balance sheet, and statement of operations, and make your own financial projections regarding sales, revenues, costs, customer base, and business development for your own Bach to Rock School.

Some Schools have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

The operating data in the charts were prepared from internal operating records provided to us by our affiliates and franchisees.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

* * *

Other than the preceding financial performance representations in this Item 19, AMS does not make any financial performance representations. We do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Brian Gross, our President, America's Music School LLC, 4910 Cordell Avenue, Bethesda, Maryland, 20814, 855-227-7570, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table 1: Systemwide Outlet Summary For Years 2023, 2024 and 2025 (notes 1-3)				
Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	44	45	+1
	2024	45	48	+3
	2025	48	50	+2
Company-Owned	2023	11	11	+0
	2024	11	11	+0
	2025	11	9	-2
Total Outlets	2023	55	56	+1
	2024	56	59	+3
	2025	59	59	+0

Table 2: Transfer of Outlets from Franchisees to New Owners (other than the Franchisor) for the Years 2023, 2024 and 2025 (notes 1-3)		
State	Year	Number Of Transfers
California	2023	0
	2024	0
	2025	0
Florida	2023	0
	2024	0
	2025	0
Georgia	2023	1
	2024	0
	2025	0
Indiana	2023	0
	2024	0
	2025	1
New York	2023	0
	2024	1
	2025	0
North Carolina	2023	0
	2024	0
	2025	0
Texas	2023	0
	2024	0
	2025	1
Washington	2023	0
	2024	0
	2025	0
TOTAL OUTLETS	2023	1