

## **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.

### **HISTORICAL PER-SCHOOL GROSS REVENUES FOR CERTAIN COMPANY-OWNED AND FRANCHISED SCHOOLS 2022 – 2023 – 2024**

The following charts show historical Gross Revenues information regarding both franchised and affiliated Creative World Schools ("Schools") that were open for a full 12-month period during our fiscal years ending December 31, 2022, 2023, and 2024, except as otherwise noted.

We separate the reports for Schools in excess of 12,000 square feet and Schools below 12,000 square feet due to the substantial difference in Gross Revenues. We currently will not approve sites for Schools that will have less than 9,400 square feet. This historical sales information was compiled using the reports provided to us by these Schools.

There were a total of 29 Schools open and operating at the end of 2024, 5 Company-Owned and 24 Franchised. 5 of the Company-Owned Schools and 15 of the Franchised Schools were 12,000 square feet or larger and opened for at least 12 months.

The Gross Revenues information was not audited by independent certified public accountants. The reports are provided to us on the accounting basis derived from the proprietary childcare software and are based on 'billings' for each period regardless of the cash funds put into the bank, and are used to form the basis of royalty payments to us.

The charts show the average full-time, part-time and total enrollment for each School, as well as the published weekly full-time tuition for each School. The Gross Revenues shown for each School is based on the same Gross Revenues for calculation of royalties as required under the Franchise Agreement.

*Charts begin on the following page.*

**PART A. GROSS REVENUES JANUARY - DECEMBER 31, 2024**

**Larger Schools - 12,000 SF and above**

**COMPANY OWNED**

<b>School</b>	<b>Gross Revenues</b>	<b>Average Full-Time</b>	<b>Average Part-Time</b>	<b>Total Enrollment</b>	<b>Weekly Tuition Preschool Age</b>
<b>Enrollment</b>					
School #88	\$2,741,291	183	53	236	\$270
School #101M	\$1,716,547	116	12	128	\$250
School #110	\$1,336,074	101	28	129	\$220
School #111	\$1,486,383	108	8	116	\$230
School #112	\$1,938,599	138	12	150	\$270

**FRANCHISED**

<b>School</b>	<b>Gross Revenues</b>	<b>Average Full-Time</b>	<b>Average Part-Time</b>	<b>Total Enrollment</b>	<b>Weekly Tuition Preschool Age</b>
<b>Enrollment</b>					
School #101F	\$1,267,343	87	21	108	\$265
Schools #103 & #103F*	\$3,118,288	180	127	307	\$285
School #104	\$2,247,221	155	81	236	\$245
School #105	\$2,810,606	207	20	227	\$265
School #109	\$2,329,017	155	27	182	\$270
School #116	\$2,257,352	130	41	171	\$280
School #118	\$2,199,060	127	36	163	\$270
School #119	\$3,141,619	227	57	284	\$265
School #121	\$3,212,121	193	80	273	\$265
School #123	\$1,419,390	88	36	124	\$280
School #124	\$2,594,000	187	23	210	\$295
School #125	\$3,486,051	247	42	289	\$285
School #129	\$2,471,911	143	8	151	\$295
School #132	\$1,980,176	118	8	126	\$290

\*The data for these 2 Schools is combined because they are owned by 1 entity with 1 Franchise Agreement.

### Small Schools - Less than 12,000 SF

There are no longer any Company-Owned Schools less than 12,000 square feet.

#### FRANCHISED

School	Gross Revenues	Average Full-Time	Average Part-Time	Total Enrollment	Weekly Tuition Preschool Age
<b>Enrollment</b>					
School #102	\$1,936,919	153	44	197	\$255
School #107	\$1,183,371	55	9	64	\$365
School #117	\$1,443,114	71	47	118	\$295
School #122	\$1,383,758	84	0	84	\$280
School #126	\$2,290,649	92	14	106	\$385
School #127	\$3,034,601	166	26	192	\$350
School #128	\$2,098,189	140	25	165	\$275
School #130	\$1,224,266	89	13	102	\$245

Total number of Schools reported for the period for this Part A: 28

*Part B begins on the following page.*

**PART B. GROSS REVENUES JANUARY - DECEMBER 31, 2023**

**Larger Schools - 12,000 SF and above**

**COMPANY OWNED**

School	Gross Revenues	Average Full-Time	Average Part-Time	Total Enrollment	Weekly Tuition Preschool Age
<b>Enrollment</b>					
School #88	\$2,493,344	174	43	217	\$240
School #101M*	\$1,193,283	95	36	131	\$235
School #110	\$1,377,231	92	16	108	\$210
School #111	\$1,269,077	96	11	107	\$220
School #112	\$1,699,917	126	14	140	\$230

\*The School was closed from 1/1/2023-04/08/2023 due to a flood, resulting in decreased revenue.

**FRANCHISED**

School	Gross Revenues	Average Full-Time	Average Part-Time	Total Enrollment	Weekly Tuition Preschool Age
<b>Enrollment</b>					
School #101F	\$1,427,271	90	32	122	\$250
Schools #103 & #103F**	\$2,941,638	145	137	282	\$260
School #104	\$2,151,172	155	80	235	\$225
School #105	\$2,756,200	194	40	234	\$247
School #109	\$2,154,841	140	86	226	\$250
School #116	\$2,149,486	143	34	177	\$265
School #118	\$2,193,588	112	82	194	\$270
School #119	\$3,020,309	207	74	281	\$250
School #121	\$3,006,990	198	98	296	\$250
School #123	\$1,576,322	67	62	129	\$280
School #124	\$2,642,150	183	44	227	\$275
School #125	\$3,075,238	193	66	259	\$275
School #129	\$2,110,932	150	10	160	\$280
School #132	\$1,674,767	104	12	116	\$280

\*\*The data for these 2 Schools is combined because they are owned by 1 entity with 1 Franchise Agreement.

### Small Schools - Less than 12,000 SF

There are no longer any Company-Owned Schools less than 12,000 square feet.

#### FRANCHISED

School	Gross Revenues	Average Full-Time	Average Part-Time	Total Enrollment	Weekly Tuition Preschool Age
<b>Enrollment</b>					
School #102	\$1,791,580	133	71	204	\$235
School #107	\$1,196,680	45	11	56	\$365
School #117	\$1,477,490	73	59	132	\$295
School #122	\$1,557,724	89	6	95	\$280
School #126	\$2,270,636	110	14	124	\$370
School #127	\$2,813,222	186	20	206	\$335
School #128	\$1,623,869	134	25	159	\$260
School #130	\$939,517	70	13	83	\$235

Total number of Schools reported for the period: 28

*Part C begins on the following page.*

**C. GROSS REVENUES JANUARY - DECEMBER 31, 2022**

**Larger Schools - 12,000 SF and above**

**COMPANY OWNED**

School	Gross Revenues	Average Full-Time	Average Part-Time	Total Enrollment	Weekly Tuition Preschool Age
<b>Enrollment</b>					
School #88	\$2,170,612	166	44	210	\$215
School #101M	\$1,712,960	126	23	149	\$228
School #110	\$1,161,872	100	20	120	\$200
School #111(1)	\$1,184,454	90	8	98	\$210
School #112	\$1,328,540	105	14	119	\$215

**FRANCHISED**

School	Gross Revenues	Average Full-Time	Average Part-Time	Total Enrollment	Weekly Tuition Preschool Age
<b>Enrollment</b>					
School #101F	\$1,376,560	107	31	138	\$225
Schools #103 & #103F*	\$2,775,072	226	102	328	\$217
School #104	\$1,863,369	160	75	235	\$205
School #105	\$2,519,631	206	38	244	\$215
School #109	\$1,933,091	151	52	203	\$225
School #115(2)	\$699,287	70	6	76	\$260
School #116	\$2,017,636	141	41	182	\$260
School #118	\$2,173,513	133	60	193	\$265
School #119	\$2,789,332	210	55	265	\$240
School #121	\$2,950,444	208	100	308	\$235
School #121	\$2,789,332	210	55	265	\$225
School #123	\$2,950,444	208	100	308	\$220
School #124	\$1561,701	125	46	171	\$270
School #125	\$2,210,525	163	39	202	\$255
School #129	\$1,558,789	120	8	128	\$280

\*The data for these 2 Schools is combined because they are owned by 1 entity with 1 Franchise Agreement.

### Small Schools - Less than 12,000 SF

There are no longer any Company-Owned Schools less than 12,000 square feet.

#### FRANCHISED

School	Gross Revenues	Average Full-Time	Average Part-Time	Total Enrollment	Weekly Tuition Preschool Age
<b>Enrollment</b>					
School #102	\$1,822,369	118	94	212	\$225
School #107	\$1,062,079	57	13	70	\$265
School #117	\$1,218,995	85	60	145	\$280
School #122	\$1,459,080	84	43	127	\$230
School #126	\$1,823,938	97	8	105	\$340
School #127	\$2,620,372	184	18	202	\$310
School #130	\$609,681	46	8	54	\$225

Total number of Schools reported for the period: 27

*Historical Average Income and Expenses begins on the following page.*

**HISTORICAL AVERAGE INCOME AND EXPENSES  
FOR CERTAIN COMPANY-OWNED AND FRANCHISED SCHOOLS**

**YEAR ENDED DECEMBER 31, 2024**

The figures presented below represent the 2024 average and median actual income and expenses of 18 Schools with 12,000 square feet or larger that operated for a full 12 months as of December 31, 2024. This includes 5 Company-Owned Schools (owned and operated by our affiliates) and 13 Franchised Schools. There are no material financial and operational characteristics of the Company-Owned Schools that are reasonably anticipated to differ materially from future operational franchise Schools. Some Schools provided information that did not conform to generally accepted accounting principles, so the information was not included in the income and expense figures presented below. We have only included those Schools that meet this criteria and provided expense information to us. The expense figures presented include royalties, payroll salaries, payroll taxes and other, benefits, food and kitchen supplies, educational expenses, building expenses, automobile expenses, advertising, insurance, utilities, and general and administrative expenses. There are other expenses you will incur in operating a Creative World School® Business, but we do not present them in this Financial Performance Representation. A combination of factors, including, but not limited to, tuition charged, whether an owner chooses benefits for employees, extras provided by owners specific to their school, etc., may affect these amounts and percentages.

**AVERAGE INCOME AND EXPENSES OF  
CERTAIN COMPANY-OWNED AND FRANCHISED SCHOOLS IN CALENDAR YEAR 2024**

**COMPANY OWNED**

	<b>Median (\$)</b>	<b>Average (\$)</b>	<b>% of Avg. Gross Revenues</b>
Gross Revenues	\$1,716,547	\$1,843,779	100%
Royalties <sup>[1]</sup>	\$121,656	\$129,151	7.0%
Payroll - Salaries	\$921,186	\$912,529	49.5%
Payroll Taxes and Other <sup>[2]</sup>	\$97,738	\$97,839	5.3%
Benefits	\$27,735	\$34,796	1.9%
Food & Kitchen Supplies <sup>[3]</sup>	\$93,392	\$105,964	5.7%
Educational Expenses <sup>[4]</sup>	\$75,054	\$79,148	4.3%
Building Expenses <sup>[5]</sup>	\$43,958	\$39,056	2.1%
Automobile Expenses	\$13,157	\$14,946	0.8%
Advertising	\$32,644	\$31,902	1.7%
Insurance	\$50,746	\$53,203	2.9%
Telephone & Utilities	\$47,899	\$52,605	2.9%
General & Administrative <sup>[6]</sup>	\$43,281	\$43,270	2.3%
<b>Total Expenses</b>	<b>\$1,579,193</b>	<b>\$1,594,409</b>	<b>86.5%</b>
<b>Net Income Before Interest, Taxes, Depreciation, Amortization, and Rent (EBITDAR)</b>	<b>\$141,557</b>	<b>\$249,370</b>	<b>13.5%</b>
<b>Grant Income</b>	<b>\$199,174</b>	<b>\$179,336</b>	

- The high and low annual Gross Revenues for this category were \$2,741,291 and \$1,336,074, respectively. There were 2, or 40%, of the 5 Company-Owned Schools attained or surpassed the average Gross Revenues in 2024.
- The high and low EBITDAR for these Schools in 2024 was \$641,765 and \$(18,859) respectively. Two, or 40%, of the 5 Company-Owned Schools 12,000 SF or larger attained or surpassed the average EBITDAR (Net Income Before Interest, Taxes, Depreciation, Amortization, and Rent) in calendar year 2024.

The Company-Owned Schools received significant grant income from their respective states and/or counties, including ARPA funds distributed based on capacity. Depending on the State and County guidelines, the funds were to be used for either eligible playground and classroom equipment, technology replacement or to supplement payroll, rent, and additional supplies. Missouri schools also received Grants based on the number of employees working for a specified time period as well as Retention grants to pay eligible employees based on time of service.

The high and low annual Grant income for this category was \$207,794 and \$89,869, respectively. There were 4, or 80%, of the 5 Company-Owned Schools that attained or surpassed the average grant income in 2024.

#### FRANCHISED 2024

	<b>Median (\$)</b>	<b>Average (\$)</b>	<b>% of Avg. Gross Revenues</b>
Gross Revenues	\$2,471,911	\$2,547,290	100%
Royalties <sup>[1]</sup>	\$173,244	\$175,818	7.0%
Payroll - Salaries	\$1,130,725	\$1,116,417	43.8%
Payroll Taxes and Other <sup>[2]</sup>	\$116,688	\$116,791	4.6%
Benefits	\$26,067	\$34,620	1.4%
Food & Kitchen Supplies <sup>[3]</sup>	\$97,072	\$99,442	3.9%
Educational Expenses <sup>[4]</sup>	\$66,168	\$61,649	2.4%
Building Expenses <sup>[5]</sup>	\$58,372	\$53,809	2.1%
Automobile Expenses	\$8,713	\$10,975	0.4%
Advertising	\$16,362	\$19,489	0.8%
Insurance	\$73,138	\$64,274	2.5%
Telephone & Utilities	\$37,962	\$44,197	1.7%
General & Administrative <sup>[6]</sup>	\$37,068	\$41,406	1.6%
<b>Total Expenses</b>	<b>\$1,838,219</b>	<b>\$1,838,885</b>	<b>72.2%</b>
<b>Net Income Before Interest, Taxes, Depreciation, Amortization, and Rent (EBITDAR)</b>	<b>\$630,664</b>	<b>\$708,405</b>	<b>27.8%</b>
<b>Grant Income</b>	<b>\$20,000</b>	<b>\$44,166</b>	

The high and low annual Gross Revenues for this category were \$3,486,051 and \$1,267,343, respectively. Six, or 46%, of the 13 Franchised Schools attained or surpassed the average Gross Revenues in 2024.

The high and low EBITDAR for these Schools in 2024 was \$1,250,870 and \$165,332, respectively. Five, or 38%, of the 13 Franchised Schools 12,000 SF or larger attained or surpassed the average EBITDAR (Net Income Before Interest, Taxes, Depreciation, Amortization, and Rent) in calendar year 2024.

The franchise owned Schools received significant grant income from their respective states and/or counties, including ARFA funds distributed based on capacity. Depending on the State and County guidelines, the funds were to be used to supplement payroll, rent, and additional supplies. Some counties also received an additional grant in 2023 for classroom equipment and supplies replacements. In addition, some schools received Employee Retention Tax Credits (ERTC) payments from the Federal Government for prior years' qualifying periods.

The high and low annual Grants and ERTC Income for this category were \$281,421 and \$0, respectively. There were 3, or 23%, of the 13 Franchised Schools that attained or surpassed the average grant income and ERTC in 2024.

*2023 data begins on the following page.*