

Provisions	Section in Franchise Agreement	Summary
		<p>training program. However, you may not complete the transfer until you have received our final approval in writing.</p> <p><u>TRANSFER OF ENTIRE BUSINESS – FINAL APPROVAL</u></p> <p>Before Mathnasium will give its final approval of a transfer (unless the majority equity interest in the proposed transferee is owned by you, or waived by Mathnasium in writing), the proposed transferee must, among other things, (a) demonstrate to Mathnasium's satisfaction that he or she meets all of our current requirements for becoming a Mathnasium franchisee; (b) pay us a non-refundable training fee of \$3,000; (c) successfully completing our initial training program; (d) sign our then-current form of Franchise Agreement and pay an initial franchise fee of \$7,000 (which fee we may waive if the transferee is an existing Mathnasium franchisee and the Center's Gross Receipts during the prior 12 months are in the bottom 25% of average Gross Receipts of all applicable Mathnasium Centers, as disclosed in Item 19 of our then-current franchise disclosure document); and (e) make arrangements to upgrade and/or relocate the Center.</p> <p>If the proposed transferee is one of Mathnasium's other franchisees, the transferee must (a) meet our requirements for a second Mathnasium Center; (b) not be in default under its agreements with Mathnasium; (c) have a good record of student service and compliance with Mathnasium's operating standards; (d) demonstrate a financial and operational plan for the additional Mathnasium Center; and (e) sign our then-current form of Franchise Agreement and pay an initial franchise fee of \$7,000 (which fee we may waive if the transferee is an existing Mathnasium franchisee and the Center's Gross Receipts during the prior 12 months are in the bottom 25% of average Gross Receipts of all applicable Mathnasium Centers, as disclosed in Item 19 of our then-current franchise disclosure document).</p> <p>You and your owners must, among other things, (a) sign a general release in favor of Mathnasium; (b) provide us with written notice that the landlord has agreed to the transfer of the lease for the Center to your transferee; (c) pay off any promissory note you owe to Mathnasium; and (d) pay us a transfer fee of \$7,000. No transfer fee is payable if the transfer is to a corporation or limited liability company that is owned by all or a majority of your owners.</p>

Provisions	Section in Franchise Agreement	Summary
		If you are transferring less than your entire business, then you must satisfy the conditions set forth in Section 17.4 of the Franchise Agreement.
n. Mathnasium's right of first refusal to acquire franchisee's business	17.9	We have the right to match offers under certain circumstances.
o. Mathnasium's option to purchase franchisee's business	Not applicable	None.
p. Death or disability of an individual franchisee	17.7	The executor, administrator, personal representative or Trustee must apply to Mathnasium in writing within one month for consent to transfer the person's interest to his or her heir, beneficiary, devisee, or other successor. We may (but are not obligated to) operate the Center until a successor completes our initial training program.
q. Non-competition covenants during the term of the franchise	15.1	During the term of the Franchise Agreement, you and your owners must not be involved in a competing business without our prior written consent. Competing business means (a) any business that offers education to children, whether by means of academic instruction, self-guided instruction, tutoring, test preparation, or any form of supplemental education service, in any medium, whether in person or online; or (b) any business granting franchises, licenses or similar rights, or that participates in partnership or joint ventures, for the development and/or operation of the type of business specified in subparagraph (a).
r. Non-competition covenants after the franchise is terminated or expires	15.2, 15.3	You and your owners may not be involved in a competing business for 1 year after termination or expiration of the Franchise Agreement if the competing business is within 25 miles of your Center. For 2 years following the termination or expiration of the Franchise Agreement, you and your owners may not contact any Mathnasium customers, including students or parents for the purpose of enrolling them in any other supplemental education program.
s. Modification of the agreement	9, 22.8	Modifications must be in writing and signed by authorized representatives of each party; provided that we have the right to change the Manuals from time to time.
t. Integration/merger clause	22.6	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	20	Except for certain claims, disputes must initially be submitted to nonbinding mediation. If the mediation is unsuccessful, the disputes must then be arbitrated before one arbitrator.

Provisions	Section in Franchise Agreement	Summary
v. Choice of forum	20	Mediation and arbitration will take place in the county of our headquarters, currently Los Angeles County, California. Litigation may take place at an appropriate court where our headquarters is located, subject to state law.
w. Choice of law	22.3	Federal law governs trademark issues. Otherwise, Delaware law governs the Franchise Agreement and the legal relationship between you and us, subject to state law.

DEVELOPMENT AGREEMENT

Provisions	Section in Development Agreement	Summary
a. Length of the franchise term	5	The term expires on the earlier of: (a) the date that the final franchise agreement under the Development Schedule has been signed; or (b) the deadline to open the last Mathnasium Center to be opened under the Development Schedule.
b. Renewal or extension of the term	Not applicable	Not applicable.
c. Requirements for franchisee to renew or extend	Not applicable	Not applicable.
d. Termination by franchisee	Not applicable	Not applicable.
e. Termination by franchisor without cause	Not applicable	Not applicable.
f. Termination by franchisor with cause	6.1	We can terminate only if you default (see g and h below) under the Development Agreement or any franchise agreement. If an event of default occurs which gives us the right to terminate any franchise agreement, we may terminate the Development Agreement (regardless of whether we exercise our right to terminate such franchise agreement).
g. "Cause" defined - curable defaults	Not applicable	Not applicable.
h. "Cause" defined - non-curable defaults	6.1	<p>You fail to timely execute a Franchise Agreement or fail to pay any initial franchise fee owed thereunder; you fail to have open and operating a minimum number of Mathnasium Centers specified in the Development Schedule at any deadline; any franchise agreement is in default; or you breach or otherwise fail to comply fully with any provision of the Development Agreement. If an event of default occurs which gives us the right to terminate any franchise agreement, we may terminate the Development Agreement (regardless of whether we exercise our right to terminate such franchise agreement).</p> <p>If any event of default occurs under the Development Agreement that would permit the termination of that agreement, we may terminate the Development Agreement and/or any or all previously executed franchise agreements; provided, however, that your</p>

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		failure to open and operate Mathnasium Centers in accordance with the Development Schedule will not constitute cause for us to terminate any previously executed franchise agreement for which a Mathnasium Center has been opened as of the date of such failure to comply with the Development Schedule. If you fail to comply with the Development Schedule, we may terminate the Development Agreement and/or any or all previously executed franchise agreements for which a Mathnasium Center has not yet opened as of the date of your failure to comply with the Development Schedule.
i. Franchisee's obligations on termination or non-renewal	6.2	Upon termination, you will no longer have rights to develop additional Mathnasium Centers. The Development Agreement cannot be renewed.
j. Assignment of contract by Mathnasium	7	No restriction on our right to assign.
k. "Transfer" by franchisee – definition	7	Includes transfer of the Development Agreement or any interest in the Development Agreement or the franchisee entity.
l. Mathnasium's approval of transfer by franchisee	7	We have the right to approve or not approve all transfers in our judgment.
m. Conditions for Mathnasium's approval of transfer	7	We have discretion in setting conditions for our approval of a transfer.
n. Mathnasium's right of first refusal to acquire franchisee's business	7	We have the right to match offers under certain circumstances.
o. Mathnasium's option to purchase franchisee's business	Not applicable	Not applicable.
p. Death or disability of an individual franchisee	Not applicable	We have the right to approve or disapprove any transfer in our judgment.
q. Non-competition covenants during the term of the franchise	8.1	During the term of the Development Agreement, you and your owners must not be involved in a competing business without our prior written consent. Competing business means (a) any business that offers education to children, whether by means of academic instruction, self-guided instruction, tutoring, test preparation, or any form of supplemental education service, in any medium, whether in person or online; or (b) any business granting franchises, licenses or similar rights, or that participates in partnership or joint ventures, for the development and/or operation of the type of business specified in subparagraph (a).

Provisions	Section in Development Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	8.2, 8.3	You and your owners may not be involved in a competing business for 1 year after termination or expiration of the Development Agreement if the competing business is within 25 miles of your former Development Area. For 2 years following the termination or expiration of the Development Agreement, you and your owners may not contact any Mathnasium customers, including students or parents for the purpose of enrolling them in any other supplemental education program.
s. Modification of the agreement	10	No modifications unless agreed to in writing by both parties.
t. Integration/merger clause	10	Only the terms of the Development Agreement and any franchise agreements are binding (subject to state law). Any other promises outside this disclosure document, the Development Agreement, and the Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	9	Except for certain claims, disputes must initially be submitted to nonbinding mediation. If the mediation is unsuccessful, the disputes must then be arbitrated before one arbitrator.
v. Choice of forum	9	Mediation and arbitration will take place in the county of our headquarters, currently Los Angeles County, California. Litigation may take place at an appropriate court where our headquarters is located, subject to state law.
w. Choice of law	9	Delaware law governs the Development Agreement and the legal relationship between you and us, subject to state law.

ITEM 18: PUBLIC FIGURES

We currently do not use any public figure to promote the sale of our franchises; however, we reserve the right to do so at our discretion.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATION

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 to be 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 outlet or under particular circumstances.

Table 1: 2024 Reported Gross Receipts Performance

Table 1 sets forth a historic financial performance representation for the period from January 1, 2024 through December 31, 2024. It includes average and median annual Gross Receipts of existing franchised Mathnasium Centers in the United States that were open and operated by the same franchisee for 12

months or longer as of December 31, 2024, broken down by quartiles. In this Item 19, “**Gross Receipts**” means the monthly Gross Receipts from all sources in the operation of a Mathnasium Center, including student tuition, registration and testing fees, sales of learning materials, hourly per student private tutoring, and any other approved services. “**Gross Receipts**” excludes sales tax receipts that franchisees must collect from customers and that are paid to the government, customer refunds actually paid, and coupons and approved promotional discounts.

Values	Top 1/4	Mid-Upper 1/4	Mid-Lower 1/4	Bottom 1/4	Average	Median	#/% Met/Exceeded Average
# of Centers	213	213	213	214	–	–	–
Average Gross Receipts	\$655,284	\$379,299	\$266,795	\$169,730	\$367,545	\$316,794	336 / 39%
YoY %	14.0%	18.6%	13.0%	20.5%	15.7%	12.4%	335 / 39%

Values	Top 1/4	Mid-Upper 1/4	Mid-Lower 1/4	Bottom 1/4
Lowest Gross Receipts	\$450,059	\$317,664	\$225,953	\$46,917
Highest Gross Receipts	\$1,363,932	\$449,793	\$316,794	\$225,352
Median Gross Receipts	\$585,143	\$376,964	\$265,348	\$177,537
# Met/Exceeded Average	74	101	105	127
% Met/Exceeded Average	35%	47%	49%	60%

Notes to Table 1

1. As of December 31, 2024, there were 999 Mathnasium Centers in operation in the United States. Of those, 138 were not included in this financial performance representation because they were not open and operated by the same franchisee for 12 months or longer as of December 31, 2024. In addition, 4 franchised Mathnasium Centers that were open and operated by the same franchisee for at least 12 months as of December 31, 2024 were not included because they did not report their Gross Receipts to us or MCL for the full 12-month period. As of December 31, 2024, our affiliate operated 4 Mathnasium Centers, none of which were included in this financial performance representation.
2. For purposes of Table 1, “**Average Gross Receipts**” was determined by taking the sum of the included Mathnasium Centers’ Gross Receipts and dividing it by the number of included Mathnasium Centers.
3. For purposes of Table 1, “**Median Gross Receipts**” was determined by sorting the results of the included Mathnasium Centers’ Gross Receipts in ascending order and identifying the point above and below which 50% of the data falls.
4. The growth of the Average Gross Receipts from the prior year Average Gross Receipts was determined by subtracting the Average Gross Receipts from the prior year’s Average Gross Receipts (the “**Prior Year Average Gross Receipts**”), then dividing this difference by the Prior Year Average Gross Receipts and multiplying by 100, expressed as a percentage.

Table 2: 2024 Reported P&L Expenses

Table 2 sets forth average and median reported Gross Receipts, average and median instructor payroll expenses, average and median office supplies & furniture expenses, average and median professional fees, average and median other variable expenses, average and median total variable expenses, average and median rent, average and median utilities & other fixed expenses, average and median total fixed expenses, average and median royalties and marketing fees, and average and median operating profit achieved by 853 franchised Mathnasium Centers in the United States for January 1, 2024 through December 31, 2024 (the “**Measurement Period**”), all of which have been open and operated by the same franchisee for at least 12 months in the United States as of December 31, 2024

(the “**Covered Centers**”). The Covered Centers provided us or MCL with complete 2024 P&Ls prior to the issuance date of this disclosure document. 138 franchised Mathnasium Centers in the United States were excluded on the basis that they were not open and operated by the same franchisee for 12 months or longer as of December 31, 2024. In addition, 4 franchised Mathnasium Centers that were open and operated by the same franchisee for at least 12 months as of December 31, 2024 were excluded on the basis that they did not provide us or MCL with complete 2024 P&Ls before the issuance date of this disclosure document. As of December 31, 2024, our affiliate operated 4 Mathnasium Centers, none of which were included in this financial performance representation.

	Average	Median	#/% Met/Exceeded Average
# of Centers	853	853	
Reported Gross Receipts	\$367,545	\$316,794	336 / 39%
Instructor Payroll	\$66,552	\$52,080	351 / 41%
Office Supplies & Furniture	\$7,448	\$5,524	298 / 35%
Professional Fees	\$2,971	\$1,515	235 / 28%
Other Variable Expenses	\$64,451	\$27,595	239 / 28%
Total Variable Expenses	\$141,422	\$86,714	316 / 37%
% of reported Gross Receipts	38.5%	27.4%	
Rent	\$48,090	\$47,183	413 / 48%
Utilities & Other Fixed Expenses	\$5,252	\$3,960	302 / 35%
Total Fixed Expenses	\$53,342	\$51,143	402 / 47%
% of reported Gross Receipts	14.5%	16.1%	
Royalties & Marketing Fees	\$65,594	\$63,747	405 / 47%
% of reported Gross Receipts	17.8%	20.1%	
Operating Profit	\$107,187	\$115,190	327 / 38%
% of reported Gross Receipts	29.2%	36.4%	

Notes to Table 2

1. For purposes of Table 2, the average reported Gross Receipts was determined by taking the sum of the Covered Centers’ reported Gross Receipts and dividing it by the number of Covered Centers.
2. For purposes of Table 2, the median reported Gross Receipts was determined by sorting the results of the Covered Centers’ reported Gross Receipts in ascending order and identifying the point above and below which 50% of the data falls.
3. “**Instructor Payroll**” is defined as the cost of hourly employees and independent contractors who offer instruction to enrolled students and excludes owner salary or draw and management salaries, bonus payments, and benefits. The average presented above was determined by taking the sum of the Covered Centers’ Instructor Payroll expenses during the Measurement Period and dividing by 853. The median presented above was determined by sorting the

Covered Centers' Instructor Payroll expenses in ascending order and identifying the point above and below which 50% of the data falls.

4. **"Office Supplies & Furniture"** is defined as the cost of furniture (e.g., chairs, tables, etc.), office supplies, and computer equipment (e.g., papers, pencils, laptops, electronic tablets, etc.) used in normal business operations. The average presented above was determined by taking the sum of the Covered Centers' Office Supplies & Furniture expenses during the Measurement Period and dividing by 853. The median presented above was determined by sorting the Covered Centers' Office Supplies & Furniture expenses during the Measurement Period in ascending order and identifying the point above and below which 50% of the data falls.
5. **"Professional Fees"** are defined as fees paid to third-party service providers, such as attorneys, accountants, and other consultants who provide professional business advice and guidance. The average presented above was determined by taking the sum of the Covered Centers' Professional Fees during the Measurement Period and dividing by 853. The median presented above was determined by sorting the Covered Centers' Professional Fees expenses during the Measurement Period in ascending order and identifying the point above and below which 50% of the data falls.
6. **"Other Variable Expenses"** are defined as the sum of other operational costs required to operate the Mathnasium Center, including business licenses, permits, training expenses, travel and entertainment and any miscellaneous business expenses not captured in the other defined categories of variable expenses. The average presented above was determined by taking the sum of the Covered Centers' Other Variable Expenses during the Measurement Period and dividing by 853. The median presented above was determined by sorting the Covered Centers' Other Variable Expenses during the Measurement Period in ascending order and identifying the point above and below which 50% of the data falls.
7. **"Total Variable Expenses"** are defined as the sum of the Instructor Payroll expenses, Office Supplies & Furniture expenses, Professional Fees, and Other Variable Expenses. The average presented above was determined by taking the sum of the Covered Centers' Total Variable Expenses during the Measurement Period and dividing by 853. The median presented above was determined by sorting the Covered Centers' Total Variable Expenses during the Measurement Period in ascending order and identifying the point above and below which 50% of the data falls. The percentages presented above were determined, respectively, by: (a) dividing the average Total Variable Expenses by the average reported Gross Receipts; and (b) dividing the median Total Variable Expenses by the median reported Gross Receipts.
8. **"Rent"** is defined as the amount payable to the landlord under the lease for the operating space for the Mathnasium Center. The average presented above was determined by taking the sum of the Covered Centers' Rent expenses during the Measurement Period and dividing by 853. The median presented above was determined by sorting the Covered Centers' Rent expenses during the Measurement Period in ascending order and identifying the point above and below which 50% of the data falls.
9. **Utilities & Other Fixed Expenses** are defined as all costs related to repairs, maintenance, telephone, internet, utilities, and other occupancy expenses (excluding Rent). The average presented above was determined by taking the sum of the Covered Centers' Utilities & Other Fixed Expenses during the Measurement Period and dividing by 853. The median presented above was determined by sorting the Covered Centers' Utilities & Other Fixed Expenses during the Measurement Period in ascending order and identifying the point above and below which 50% of the data falls.

10. **“Total Fixed Expenses”** are defined as the sum of the Rent and the Utilities & Other Fixed Expenses. The average presented above was determined by taking the sum of the Covered Centers’ Total Fixed Expenses during the Measurement Period and dividing by 853. The median presented above was determined by sorting the Covered Centers’ Total Fixed Expenses during the Measurement Period in ascending order and identifying the point above and below which 50% of the data falls. The percentages presented above were determined, respectively, by: (a) dividing the average Total Fixed Expenses by the average reported Gross Receipts; and (b) dividing the median Total Fixed Expenses by the median reported Gross Receipts.
11. **“Royalties & Marketing Fees”** are defined as base royalty fees, monthly royalty fees, technology fees, and marketing fees paid to us, as described in Item 6. The average was determined by taking the sum of the Covered Centers’ Royalties & Marketing Fees during the Measurement Period and dividing by 853. The median was determined by sorting the Covered Centers’ Royalties & Marketing Fees during the Measurement Period in ascending order and identifying the point above and below which 50% of the data falls. The percentages presented above were determined, respectively, by: (a) dividing the average Royalties & Marketing Fees by the average reported Gross Receipts; and (b) dividing the median Royalties & Marketing Fees by the median reported Gross Receipts.
12. **“Operating Profit”** is defined as the reported Gross Receipts minus the sum of the above reported expenses. The average presented above was determined by taking the sum of the Covered Centers’ Operating Profit during the Measurement Period and dividing by 853. The median presented above was determined by sorting the Covered Centers’ Operating Profit during the Measurement Period in ascending order and identifying the point above and below which 50% of the data falls. The percentages presented above were determined, respectively, by: (a) dividing the average Operating Profit by the average reported Gross Receipts; and (b) dividing the median Operating Profit by the median reported Gross Receipts.

Table 3: 2024 Gross Receipts by Number of Mathnasium Centers Owned and Operated by Franchisee

Table 3 sets forth a historic financial performance representation for the period from January 1, 2024 through December 31, 2024. It includes average and median annual Gross Receipts of existing franchised Mathnasium Centers that were open and operated by the same Franchisee for 36 months or longer as of December 31, 2024, broken down by the number of Mathnasium Centers that each Franchisee owned and operated as of December 31, 2024.

The chart below shows the Average Gross Receipts per included Mathnasium Center, broken down by the number of Mathnasium Centers that each Franchisee owned and operated as of December 31, 2024.



Portfolio Size	Average Gross Receipts	# of Centers	# of Franchisees	Median Gross Receipts	Lowest Gross Receipts	Highest Gross Receipts	#/% Met/Exceeded Average
1 Center	\$367,299	284	284	\$321,701	\$90,038	\$1,269,809	111 / 39%
2 Centers	\$373,974	124	62	\$305,143	\$80,610	\$1,282,231	48 / 39%
3-5 Centers	\$442,094	105	29	\$371,956	\$123,834	\$1,363,932	35 / 33%
6+ Centers	\$447,675	130	12	\$398,775	\$95,916	\$1,295,478	52 / 40%

Notes to Table 3

1. **“Franchisee”** is defined, collectively, as: (a) an individual or entity to whom we or our affiliate have granted a Mathnasium® franchise pursuant to a Mathnasium franchise agreement; and (b) any and all other entities owned by or affiliated with such individual or entity that are also parties to Mathnasium franchise agreements with us or our affiliate.
2. For purposes of Table 3, **“Average Gross Receipts”** was determined by taking the sum of the included Mathnasium Centers’ Gross Receipts in the applicable “portfolio size” row and dividing it by the number of included Mathnasium Centers in the applicable “portfolio size” row.
3. For purposes of Table 3, **“Median Gross Receipts”** was determined by sorting the results of the included Mathnasium Centers’ Gross Receipts in the applicable “portfolio size” row in ascending order and identifying the point above and below which 50% of the data falls.

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The above results were calculated by us or MCL based on reports furnished to us or MCL by Mathnasium franchisees. It is important to note that neither we, MCL, nor the submitting franchisees audited this information.

Some Mathnasium Centers have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

Mathnasium will make written substantiation of the data used in preparing the information above available to you upon reasonable request.