

Provision	Section in Franchise Agreement (FA) or Development Agreement (DA)	Summary
v. Choice of forum	FA: 26.2 DA: 13.2	Subject to state law, all claims brought by you must be filed in the jurisdiction where we have our principal place of business, which is currently Maryland. We may file suit in the federal or state court located in the jurisdiction where our principal offices are located at the time of suit, in the jurisdiction where you reside or do business, where the School is or was located, or where the claim arose.
w. Choice of law	FA: 26.1 DA: 13.1	Subject to state law, the law of the state in which we have our principal place of business (currently Maryland).

ITEM 18
PUBLIC FIGURES

We do not use any public figures to promote our franchises.

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.

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2024 REVENUES AND EXPENSES FOR 26 COMPANY-OPERATED SCHOOLS

The information appearing in the two tables below presents the annual financial performance results for the 26 Company-Operated Schools operated by our affiliates that were open and operating throughout 2024. All operational expenses and revenue have been expressed as a percentage of Net Revenue.

2024 AVERAGE NET REVENUE AND EXPENSES FOR 26 COMPANY-OPERATED SCHOOLS

	Revenues and Expenses	% of Net Revenue	Number and % of Schools Equal to or Favorable to Revenue and Expenses
Occupancy (1)	88.9%		
Average Net Revenue (2)	\$2,239,309	100.0%	13 / 50.0%
Employee Expenses (3)	\$1,094,238	48.9%	13 / 50.0%
Facility Expenses (4)	\$350,154	15.6%	11 / 42.3%
Other Operating Expenses (5)	\$157,164	7.0%	15 / 57.7%
Total Operating Expenses	\$1,601,555	71.5%	15 / 57.7%
EBITDA (6)	\$637,754	28.5%	14 / 53.8%
Rent and Real Estate Taxes	\$263,604	11.8%	12 / 46.2%
EBITDAR (7)	\$901,358	40.3%	13 / 50.0%
Median Net Revenue	\$2,214,730		
Range of Net Revenue	\$1,371,469 – \$2,846,448		

ROYALTY FEES, BRAND FUND CONTRIBUTIONS AND CENTRALIZED SYSTEM FEES FOR FRANCHISED SCHOOLS BASED ON THE AVERAGE GROSS REVENUES OF THE 26 COMPANY OPERATED SCHOOLS

The figures presented in the table below show the Royalty Fees and Brand Fund Contributions that a prospective franchisee would expect to pay whose School achieved the Average Gross Revenues presented for the 26 Company-Operated Schools.

Average Gross Revenues	\$2,315,397
Royalty Fees	\$162,078
Brand Fund Contributions	\$46,308
Centralized System Fees	\$17,400
Median Gross Revenues	\$2,258,522
Range of Gross Revenues	\$1,422,004 - \$2,920,303

2024 REVENUES AND EXPENSES FOR 17 MATURE FRANCHISED SCHOOLS

The information appearing in the tables below presents the annual financial performance results for the 17 franchised Schools that were considered “mature” and that were open and operating throughout 2024. A mature school is defined as a School that has been open for at least 18 months. All operational expenses and revenue have been expressed as a percentage of Net Revenue. There were 29 franchised Schools in operation as of December 31, 2024. These tables exclude the performance of 12 franchised Schools that opened in the 18-month period prior to December 31, 2024. No franchised Schools closed during 2024.

2024 AVERAGE NET REVENUE AND EXPENSES FOR 17 MATURE FRANCHISED SCHOOLS

	Revenues and Expenses	% of Net Revenue	Number and % of Schools Equal to or Favorable to Revenue and Expenses
Occupancy (1)	63.4%		9 / 52.9%
Average Net Revenue (2)	\$2,019,104	100.0%	8 / 47.1%
Employee Expenses (3)	\$980,091	48.5%	10 / 58.8%
Facility Expenses (4)	\$372,626	18.5%	11 / 64.7%
Other Operating Expenses (5)	\$353,697	17.5%	10 / 58.8%
Total Operating Expenses	\$1,706,414	84.5%	10 / 58.8%
EBITDA (6)	\$312,690	15.5%	10 / 58.8%
Rent and Real Estate Taxes	\$301,914	15.0%	10 / 58.8%
EBITDAR (7)	\$614,604	30.4%	8 / 47.1%
Median Net Revenue	\$1,981,871		
Range of Net Revenue	\$1,222,270 – \$3,431,706		

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2024 NET REVENUE AND EXPENSES FOR 17 MATURE FRANCHISED SCHOOLS

	1 Amount	2 Amount	3 Amount	4 Amount	5 Amount
	%	%	%	%	%
Net Revenue	1,592,874	2,906,976	3,431,706	1,413,122	1,287,432
Employee Expenses	682,365 42.8%	1,403,136 48.3%	1,829,334 53.3%	747,693 52.9%	415,533 32.3%
Facility Expenses	359,383 22.6%	379,215 13.0%	619,245 18.0%	351,463 24.9%	255,240 19.8%
Other Operating Expenses	322,534 20.2%	591,927 20.4%	518,749 15.1%	265,937 18.8%	292,540 22.7%
Total Operating Expenses	1,364,282	2,374,278	2,967,327	1,365,093	963,313
EBITDA	228,593 14.4%	532,698 18.3%	464,379 13.5%	48,029 3.4%	324,119 25.2%
	6 Amount	7 Amount	8 Amount	9 Amount	10 Amount
	%	%	%	%	%
Net Revenue	2,431,927	2,590,146	1,981,871	1,279,508	1,717,445
Employee Expenses	1,184,998 48.7%	1,206,301 46.6%	974,344 49.2%	607,967 47.5%	890,106 51.8%
Facility Expenses	702,738 28.9%	386,027 14.9%	283,052 14.3%	278,969 21.8%	345,471 20.1%
Other Operating Expenses	361,966 14.9%	476,837 18.4%	372,753 18.8%	292,927 22.9%	318,945 18.6%
Total Operating Expenses	2,249,702	2,069,165	1,630,150	1,179,864	1,554,522
EBITDA	182,226 7.5%	520,981 20.1%	351,721 17.7%	99,644 7.8%	162,923 9.5%
	11 Amount	12 Amount	13 Amount	14 Amount	15 Amount
	%	%	%	%	%
Net Revenue	1,222,270	1,600,946	2,127,254	2,288,857	2,487,545
Employee Expenses	706,748 57.8%	874,769 54.6%	955,396 44.9%	1,127,943 49.3%	1,162,577 46.7%
Facility Expenses	380,187 31.1%	330,867 20.7%	325,334 15.3%	259,661 11.3%	497,973 20.0%
Other Operating Expenses	255,199 20.9%	241,451 15.1%	294,032 13.8%	403,983 17.6%	406,520 16.3%
Total Operating Expenses	1,342,134	1,447,087	1,574,761	1,791,587	2,067,070
EBITDA	(119,864) -9.8%	153,859 9.6%	552,492 26.0%	497,270 21.7%	420,475 16.9%

	16	Amount	%	17	Amount	%
Net Revenue		1,714,067			2,250,817	
Employee Expenses		785,803	45.8%		1,106,539	49.2%
Facility Expenses		255,923	14.9%		323,891	14.4%
Other Operating Expenses		273,965	16.0%		322,577	14.3%
Total Operating Expenses		1,315,691			1,753,007	
EBITDA		398,376	23.2%		497,809	22.1%

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NOTES

1. Occupancy % means the average occupancy percentage of the Schools on December 31, 2024.
2. Net Revenue means the amount billed for weekly tuition reduced by all scholarships and discounts provided to customers and includes registration fees and application fees.
3. Employee Expenses include the cost for salaried, hourly and management labor costs including wages and benefits, employee training expenses, payroll taxes, and corporate insurance allocations for group health, workers' compensation, and vacation pay. Other benefits which you elect to provide your employees, such as the amount of vacation time and vacation pay, are factors that will affect Employee Expenses. The costs of providing group health insurance for employees and workers' compensation insurance will vary depending on many factors, including the extent and amount of coverage provided, the loss experience of the group, and which insurance provider is chosen. Therefore, you may encounter higher relative costs in obtaining comparable insurance coverage.
4. Facility Expenses include payments to landlords for rent, property taxes, common area expenses and other building related costs, such as repairs and maintenance.
5. Other Operating Expenses include the cost of educational materials, books, manipulatives, crafts and other items necessary to support the curriculum and lesson plans as well as consumables and disposables such as snacks, juices, dairy products, fruits, vegetables and paper products. This amount also includes vehicle lease payments maintenance and fuel, school utilities, security system monitoring, internet and telephone services and outsourced janitorial costs, marketing expenses (including Brand Fund Contributions), professional fees, Royalty Fees and Centralized System Fees, and business insurance. In Table 1, the Other Operating Expenses includes the Centralized System Fees and Brand Fund Contributions of our Company-Operated Schools. Our Company-Operated Schools do not pay Royalty Fees.
6. EBITDA is an acronym for Earnings Before Interest, Taxes, Depreciation, and Amortization.
7. EBITDAR is calculated using EBITDA and adding back amounts paid for rent and real estate taxes.
8. Gross Revenues means the aggregate amount of all revenues billed and generated regardless of collection from the delivery of services and all other income of every kind and nature related to the School. The following are not included in Gross Revenues: (1) any bona fide documented federal, state, or municipal sales taxes collected by from customers and paid to the appropriate taxing authority, if applicable; (2) customer refunds made in good faith and recorded as a reduction of Gross Revenues; (3) student security deposits; and (4) revenues received from enrichment programs. Franchisees pay Royalty Fees and Brand Fund contributions on the Gross Revenues of their Schools and not on the Net Revenue of their Schools.

The results shown in this Item 19 for the Company-Operated Schools were prepared from data compiled in the ordinary course of business by our employees. The Company-Operated Schools reflected in this financial performance representation offer services for sale that are substantially similar to the services that you will offer for sale in your School. The results are unaudited. This financial performance representation is based on the performance of Company-Operated Schools located in Maryland and Delaware.

The results for the franchised Schools were derived from unaudited financial reports submitted by franchisees.

The financial performance representations appearing in this Item 19 constitute a historic representation and are not a forecast of future financial performance.

Written substantiation for the financial performance representations appearing in this Item 19 will be made available to all prospective franchisees upon reasonable request.

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

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Celebree School, however, we may provide you with the actual records of that School. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Mark Lubin, Chief Development Officer, Celebree Enterprises, LLC, at 8029 Corporate Drive, Nottingham, Maryland 21236 and (410) 515-8750, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
Systemwide Outlet Summary
For Years 2022 to 2024***

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2022	3	13	+10
	2023	13	20	+7
	2024	20	29	+9
Company Owned	2022	26	26	0
	2023	26	26	0
	2024	26	26	0
Total Outlets	2022	29	39	+10
	2023	39	46	+7
	2024	46	55	+9

* As of December 31 of each year.

**Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Years 2022 to 2024***

State	Year	Number of Transfers
Maryland	2022	0
	2023	1
	2024	0
Total	2022	0
	2023	1
	2024	0

* As of December 31 of each year. States not listed had no activity to report.