

PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
t. Integration / Merger Clause	Section 13	Only the terms of the Development Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Development Agreement may not be enforceable.
u. Dispute Resolution by Arbitration or Mediation	Section 14.2	Most disputes and claims relating to the Development Agreement are subject to arbitration (subject to state law).
v. Choice of Forum	Sections 14.2, 14.3	Arbitration must be held in the metropolitan area in which we have our principal place of business (currently, Boston, Massachusetts). Any litigation against us must be brought in the U.S. District Court presiding in the district in which we have our principal place of business, subject to state law.
w. Choice of Law	Section 14.1	All disputes will be governed by the laws of Massachusetts, subject to state law.

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.

Historical Financial Performance Representations for 2024

In this Item 19, we present historical performance information for the (a) 46 Company-Owned Schools that were open and operated at least five days per week during the full 12-month period from January 1, 2024 to December 31, 2024 (the “**Company-Owned Designated Schools**”) and (b) 223 franchised Schools that were open and operated at least five days per week during the full 12-month period from January 1, 2024 to December 31, 2024 (the “**Franchised Designated Schools**”). We refer to the Company-Owned Designated Schools and Franchised Designated Schools collectively as the “**Designated Schools**.” All Designated Schools operate under the name “School of Rock” and conduct a business similar to the type of business that you will operate.

As of December 31, 2024, there were 49 Company-Owned Schools in operation. Of these 49 locations, 46 Company-Owned Designated Schools are included in this Item 19. The 46 Company-Owned Designated Schools do not include three franchised Schools acquired by us or our affiliates from a

franchisee that became a Company-Owned School in 2024. This Item 19 also does not include one Company-Owned School that was sold to a franchisee in 2024. No Company-Owned Schools closed in 2024.

As of December 31, 2024, there were 254 franchised Schools in operation. Of these 254 locations, 223 Franchised Designated Schools are included in this Item 19. The 223 Franchised Designated Schools do not include (a) seven franchised Schools that were open less than five days per week, (b) 23 franchised Schools that opened in 2024, and (c) one Company-Owned School that was sold to a franchisee in 2024. This Item 19 also does not include (i) three franchised Schools acquired by us or our affiliates that became Company-Owned Schools in 2024 and (ii) one franchised School that closed due to a termination in 2024, which had been open at least 12 months prior to closing.

In this Item 19, “**Total Sales**” means all revenue generated at, from or in connection with the operation of the School, including from sales (net of discounts) of all products and services conducted at, from, or with respect to the School. Total Sales does not include the sale of products or services for which refunds have been made in good faith to customers, the sale of equipment or furnishings used in the operation of the School, or any sales taxes or other taxes collected from customers and paid directly to the appropriate taxing authority. We include gift certificate, gift card, or similar program payments in Total Sales when the gift certificate, gift card, other instrument, or applicable credit is redeemed.

Table 1
Annual Total Sales in 2024 - All Designated Schools

Table 1 provides the annual Total Sales for all Designated Schools in 2024.

Type of Designated School	Average Annual Total Sales	# and % of Schools At or Above Average Total Sales	Median Annual Total Sales	Highest Annual Total Sales	Lowest Annual Total Sales
Company-Owned	\$925,351	20 / 43%	\$824,785	\$1,894,803	\$268,332
Franchised	\$672,488	97 / 43%	\$640,486	\$2,091,171	\$173,015

Table 2
Student Enrollment for All Designated Schools
as of December 31, 2024

Table 2 provides the average and median student enrollment for all Designated Schools as of December 31, 2024.

Type of School	Average Enrollment	Number and Percentage of Schools At or Above Average Enrollment	Median Enrollment	Highest Enrollment	Lowest Enrollment
Company-Owned	215	21 / 46%	197	402	91
Franchised	180	100 / 45%	173	448	69

Table 3
Average Total Sales and Net Operating Income as a Percentage of Average Total Sales
of Company Designated Schools in 2024

Table 3 provides a profit and loss statement for the period from January 1, 2024 to December 31, 2024 for the 46 Company-Owned Designated Schools.

	Average (Annual)	% of Total Sales	Number and Percentage of Schools At or Above Average	Median (Annual)
Total Sales (1)	\$925,351	100.0%	20 / 43.5%	\$824,785
Cost of Sales (2)	\$327,300	35.4%	20 / 43.5%	\$309,140
Gross Profit (3)	\$598,051	64.6%	20 / 43.5%	\$508,704
Operating Expenses (4)				
Management Labor (5)	\$105,662	11.4%	20 / 43.5%	\$99,569
Admin Labor (6)	\$40,524	4.4%	20 / 43.5%	\$37,745
Rent (7)	\$93,259	10.1%	21 / 45.7%	\$91,349
Marketing Expenses (8)	\$33,969	3.7%	21 / 45.7%	\$31,292
IT Fees (9)	\$4,141	0.4%	46 / 100.0%	\$4,141
Imputed Royalties (10)	\$74,028	8.0%	20 / 43.5%	\$65,983
Other Expenses (11)	\$39,375	4.3%	24 / 52.2%	\$40,259
Total Expenses (12)	\$390,958	42.2%	21 / 45.7%	\$366,856
Net Operating Income (13)	\$207,093	22.4%	19 / 41.3%	\$147,522

Notes to Table 3

1. The Highest Total Sales in 2024 was \$1,894,803. The Lowest Total Sales in 2024 was \$268,332.
2. **Cost of Sales** is an amount that reflects the direct costs of the Company-Owned School to deliver services to customers. It includes, but is not limited to, the cost of teacher wages, teacher wages' payroll taxes, merchant processing, show productions costs, tour expenses, music supplies, merchandise costs and other program expenses.
3. **Gross Profit** is Total Sales minus Cost of Sales.
4. **Operating Expenses** include the day-to-day costs in conducting the normal business operations for the Company-Owned School.
5. **Management Labor** includes wages, taxes, and benefits and other employee expenses paid to the General Manager employed by the Company-Owned School. Management Labor excludes profit sharing expense, as this would not be paid by a franchisee.
6. **Admin Labor** includes wages, taxes, benefits and other employee expenses paid to employees of the Company-Owned School, excluding those expenses that are not directly related to the teaching of the students (which are included in cost of sales) and excluding Management Labor.
7. **Rent** includes the Company-Owned School's base rent, extra lease charges (such as common area maintenance (CAM) charges), real estate taxes, deferred rent, and related real estate charges.
8. **Marketing Expenses** includes, but is not limited to, Brand Fund contributions, local marketing and advertising expenditures.
9. **IT Fees** are a flat fee in all Schools.

10. **Imputed Royalties** reflect the royalty fees (8% of Gross Sales) that are not actually paid by a Company-Owned School but would be paid to us if the School was a franchised location.
11. **Other Expenses** includes all other operating expenses, including, but not limited to, utilities, insurance, licenses, permits, repairs, professional fees, additional equipment, and other additional expenses.
12. **Total Expenses** is the total of Admin Labor, IT Fees, Management Labor, Marketing Expenses, Rent and Other Expenses.
13. **Net Operating Income** equals Gross Profit minus Total Expenses and does not include taxes or depreciation.

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NOTES TO ITEM 19

1. **Some Schools have sold or earned this amount. Your individual results may differ. There is no assurance that you will sell or earn as much.**
2. To make the financial performance representation in this Item 19, we relied on the Total Sales and student enrollment information collected through our billing and accounting system. Written substantiation of the data used in preparing this financial performance representation will be made available to you as a prospective franchisee upon reasonable written request.

Other than the preceding financial performance representation, School of Rock does 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 School, 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 the franchisor's management by contacting Elliot Schiffer at 1 Wattles Street, Canton, MA 02021, (877) 556-6184, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

Table 1
SYSTEM-WIDE 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**	2022	199	211	+12
	2023	211	234	+23
	2024	234	254	+20

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Company-Owned***	2022	44	47	+3
	2023	47	47	0
	2024	47	49	+2
Total Outlets	2022	243	258	+16
	2023	258	281	+23
	2024	281	303	+22

* All Item 20 charts reflect only outlets operating in the United States.

** Currently, no franchisee is also an area developer.

*** All “**Company-Owned**” outlets referred to in this Item 20 are owned and operated by SOR Parent or its wholly-owned subsidiaries.

Table 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2022 TO 2024

State	Year	Number of Transfers
Arizona	2022	0
	2023	0
	2024	0
California	2022	2
	2023	0
	2024	0
Colorado	2022	1
	2023	0
	2024	0
Florida	2022	0
	2023	0
	2024	1
Illinois	2022	0
	2023	1
	2024	0
New York	2022	1
	2023	0
	2024	2