

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.

2025 REVENUES AND EXPENSES FOR 26 MATURE COMPANY-OPERATED SCHOOLS

The information appearing in the two tables below presents the annual financial performance results for the 26 Company-Operated Schools that were considered “mature” and that were operated by our affiliates that were open and operating throughout 2025. A mature school is defined as a School that has been open for at least 24 months. All operational expenses and revenue have been expressed as a percentage of Net Revenue. There were 28 Company-Operated Schools in operation as of December 31, 2025. These tables excluded the performance of one Company-Operated School that was not open for 24 months as of December 31, 2025 and one Company-Operated School acquired from a franchisee by our affiliate in 2025.

**2025 AVERAGE NET REVENUE AND EXPENSES
FOR 26 COMPANY-OPERATED MATURE SCHOOLS**

		Revenues and Expenses	% of Net Revenue	Number and % of Schools Equal to or Favorable to Revenue and Expenses
Net Revenue	(1)	\$2,261,682		12 / 46.2%
Employee Expenses	(2)	\$1,160,154	51.3%	14 / 53.8%
Facility Expenses	(3)	\$ 373,075	16.5%	14 / 53.8%
Other Operating Expenses	(4)	\$ 175,434	7.8%	15 / 57.7%
Total Operating Expenses		<u>\$1,708,663</u>	75.5%	12 / 46.2%
EBITDA	(5)	<u>\$ 553,019</u>	24.5%	15 / 57.7%
Rent, CAM and Real Estate Taxes		<u>\$ 270,266</u>	11.9%	11 / 42.3%
EBITDAR	(6)	<u>\$ 823,285</u>	36.4%	12 / 46.2%
Median Net Revenue		\$2,213,293		
Range of Net Revenue		\$1,225,829 - \$3,077,948		

**ROYALTY FEES, BRAND FUND CONTRIBUTIONS AND CENTRALIZED SYSTEM FEES
FOR FRANCHISED SCHOOLS BASED ON THE
AVERAGE NET REVENUE OF THE 26 MATURE 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 Net Revenue presented for the 26 Company-Operated Schools.

2025 Additional Expenses for Franchised Schools Based on the Average Net Revenues Above (1)	
Average Net Revenue	\$ 2,261,682
Royalty Fees	158,318
Brand Fund Contributions	45,234
Centralized System Fees	17,400
Median Net Revenue	\$2,213,293
Range of Net Revenue	\$1,225,829 - \$3,077,948

2025 REVENUES AND EXPENSES FOR 18 MATURE FRANCHISED SCHOOLS

The information appearing in the tables below presents the annual financial performance results for the 18 franchised Schools that were considered “mature” and that were open and operating throughout 2025. A mature school is defined as a School that has been open for at least 24 months. All operational expenses and revenue have been expressed as a percentage of Net Revenue. There were 44 franchised Schools in operation as of December 31, 2025. These tables exclude the performance of 25 franchised Schools that opened in the 24-month period prior to December 31, 2025, one franchised School that was acquired by our affiliate in 2025, and one franchised School that was closed for a portion of 2025.

**2025 AVERAGE NET REVENUE AND EXPENSES
FOR 18 MATURE FRANCHISED SCHOOLS**

		Revenues and Expenses	% of Net Revenue	Number and % of Schools Equal to or Favorable to Revenue and Expenses
Net Revenue	(1)	\$2,190,264		10 / 55.6%
Employee Costs	(2)	\$1,063,621	48.6%	8 / 44.4%
Facility Costs	(3)	\$ 413,028	18.9%	12 / 66.7%
Other Operating Costs	(4)	\$ 381,460	17.4%	8 / 44.4%
Total Operating Expenses		<u>\$1,858,109</u>		11 / 61.1%
EBITDA	(5)	\$ 332,155	15.2%	10 / 55.6%
Rent, CAM and Real Estate Taxes		<u>\$ 340,869</u>	15.6%	12 / 66.7%
EBITDAR	(6)	\$ 673,023	30.7%	10 / 55.6%
Median Net Revenue		\$2,260,904		
Range of Net Revenue		\$995,283 - \$3,927,382		

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2025 NET REVENUE AND EXPENSES FOR 18 MATURE FRANCHISED SCHOOLS

	1		2		3		4		5	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Revenue	1,094,089		2,946,891		1,854,265		995,283		1,527,071	
Employee Costs	666,441	60.9%	1,449,682	49.2%	871,971	47.0%	445,031	44.7%	722,782	47.3%
Facility Costs	302,071	27.6%	619,706	21.0%	397,258	21.4%	259,210	26.0%	309,868	20.3%
Other Operating Costs	105,865	9.7%	508,350	17.3%	414,092	22.3%	191,477	19.2%	276,476	18.1%
Total Operating Expenses	1,074,378		2,577,738		1,683,321		895,718		1,309,126	
EBITDA	19,711	1.8%	369,153	12.5%	170,945	9.2%	99,565	10.0%	217,945	14.3%

	6		7		8		9		10	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Revenue	2,760,865		1,712,882		2,097,317		2,302,256		2,431,258	
Employee Costs	1,509,130	54.7%	1,234,776	72.1%	864,441	41.2%	1,122,161	48.7%	1,154,180	47.5%
Facility Costs	708,439	25.7%	626,805	36.6%	442,835	21.1%	268,687	11.7%	331,772	13.6%
Other Operating Costs	419,955	15.2%	404,987	23.6%	269,594	12.9%	427,911	18.6%	355,636	14.6%
Total Operating Expenses	2,637,524		2,266,568		1,576,870		1,818,759		1,841,589	
EBITDA	123,341	4.5%	(553,685)	-32.3%	520,447	24.8%	483,496	21.0%	589,669	24.3%

	11		12		13		14		15	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Net Revenue	2,381,195		2,225,184		3,927,382		1,215,821		2,786,567	
Employee Costs	1,002,027	42.1%	1,063,839	47.8%	1,816,695	46.3%	533,567	43.9%	1,249,948	44.9%
Facility Costs	301,005	12.6%	334,980	15.1%	618,402	15.7%	356,570	29.3%	388,012	13.9%
Other Operating Costs	456,303	19.2%	323,339	14.5%	624,524	15.9%	290,438	23.9%	541,997	19.5%
Total Operating Expenses	1,759,335		1,722,158		3,059,621		1,180,575		2,179,957	
EBITDA	621,860	26.1%	503,026	22.6%	867,761	22.1%	35,247	2.9%	606,610	21.8%

	16		17		18	
	Amount	%	Amount	%	Amount	%
Net Revenue	1,963,092		2,906,709		2,296,624	
Employee Costs	1,059,490	54.0%	1,291,679	44.4%	1,087,341	47.3%
Facility Costs	316,347	16.1%	496,471	17.1%	356,064	15.5%
Other Operating Costs	290,257	14.8%	450,808	15.5%	514,270	22.4%
Total Operating Expenses	1,666,095		2,238,957		1,957,676	
EBITDA	296,997	15.1%	667,752	23.0%	338,948	14.8%

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NOTES

1. Net Revenue 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, net of any discounts provided by the School. The following are not included in Net Revenue: (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 Net Revenue; and (3) student security deposits.
2. 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.
3. Facility Expenses include payments to landlords for rent, property taxes, common area expenses and other building related costs, such as repairs and maintenance.
4. 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.
5. EBITDA is an acronym for Earnings Before Interest, Taxes, Depreciation, and Amortization.
6. EBITDAR is calculated using EBITDA and adding back amounts paid for rent, common area maintenance, and real estate taxes.

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 2023 to 2025***

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2023	13	20	+7
	2024	20	29	+9
	2025	29	44	+15
Company Owned	2023	26	26	0
	2024	26	26	0
	2025	26	28	+2
Total Outlets	2023	39	46	+7
	2024	46	55	+9
	2025	55	72	+17

* As of December 31 of each year.

**Table No. 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Years 2023 to 2025***

State	Year	Number of Transfers
Maryland	2023	1
	2024	0
	2025	0
Texas	2023	0
	2024	0
	2025	1
Total	2023	1
	2024	0
	2025	1

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