



# FRANCHISE INFORMATION REPORT 2023



## WHO IS SCHOOL OF ROCK?

### OUR EDUCATION FRANCHISE LETS YOU INDULGE YOUR PASSION FOR MUSIC WHILE IMPROVING KIDS' LIVES

For more than two decades, School of Rock has been teaching kids and adults how to channel their inner rock stars. You may already be familiar with the movie that bears our name. Even if you're not familiar with the history of School of Rock the franchise, or School of Rock the Broadway musical, chances are you've heard of School of Rock the 2003 movie. There is a shared name and a rock 'n' roll spirit with the movie, but the School of Rock franchise is also so much more.

As educators, we're trailblazers with our performance-based model of music instruction. **Today we're a global brand with over 550 locations open or under development in 19 countries.** We continue to develop and open new schools across the world. The leadership team is comprised of a group of experienced franchise executives who are either musicians themselves or deeply passionate about music and music education.

Traditional music education approaches rarely teach students how to perform with other musicians, focusing instead on teaching music only through one-on-one lessons. The **patented School of Rock Method™** is different. We combine one-on-one instruction with group rehearsals and live performances, starting students on their musical journey by teaching the songs that inspire them. This integrated **SongFirst®** approach teaches students techniques and theory while also helping them apply those skills when performing with other musicians. This method results in remarkable musical proficiency.

The **patented School of Rock Method™** includes the Method Books, the Method App, manuals, and the Method Engine to integrate the content. The app was designed to be used by students and instructors. It houses all of the exercises from the Books, tools to practice the music skills at home and also for the parents to monitor the kid's progress. This **unique approach** to instruction and our love of rock music help young, aspiring musicians find themselves, hone their talents and build the confidence they need in their lives.

In March 2020, the franchise adapted its operation to meet students' needs during the pandemic, launching the **School of Rock Remote**. Students use video conferencing during their regularly scheduled lesson times to gain access to their

Start a conversation today by calling 877-556-6184





## MISSION

SCHOOL OF ROCK IS A GROWING, PASSIONATE COMMUNITY DEDICATED TO ENRICHING LIVES THROUGH PERFORMANCE-BASED MUSIC EDUCATION.



## THE SUPPORT DOESN'T END WHEN THE LEASE IS SIGNED ON THE NEW SCHOOL SITE

**We understand what it takes to succeed as a franchise, and have a proven track record going back to the mid-'90s. Over the years, we have developed the techniques, the business processes, and the franchisee-centric culture that provide you with a blueprint for your own success.**

The Development team and commercial real estate partners can help franchisees select the best location for their school based on community demographics, local markets, and specific space requirements. But the support doesn't end when you find the ideal location!

We are proud to offer a wide network of franchisee support. Our team walks every new owner through managing a School of Rock and will guide through day-to-day business operations as needed. When a new franchise candidate signs up to become a franchisee, we provide them with a guaranteed weekly exchange and communication with our New School Openings Team. On a weekly basis, they are going to offer consulting on a number of things: marketing, staffing, construction, architectural drawings, curriculum, business systems, and music programming — everything.

"We specialize in helping franchisees figure out every single detail of the opening process. From finding the ideal location to renovations, music instrument needs, staffing, operating hours, pricing, local marketing, and IT", says Pamela Ross, Director, New School Openings.



Lima, Peru



## SCHOOL OF ROCK WILL BE WITH YOU ALL THE WAY

As your committed partner, it will be School of Rock's mission to bring you unbeatable support to enable you and your business to excel in your local territory. From day one, we will support you with:

- A **proven** and **tested** concept and system that has generated continuous positive results and unique consistent return-on-investment. The concept includes a fully developed set of **policies and procedures** honed over many years
- **On-site training** in both the business and music education instruction
- **Protected** Intellectual Property Rights
- A proprietary **patented School of Rock Method**, including Method Books, App, and Engine, offering a unique music education experience
- Full support in setting up your **back office**
- Facilitating supply of musical equipment and teaching material through **Gear Select**, a group of partnerships with the most innovative providers of musical equipment such as Gibson®, Fender®, Zildjian®, Vic Firth®, Roland®, Blue®, Remo®, and Hal Leonard®
- A **proprietary IT system** to manage the school business
- Real estate search and lease negotiation assistance
- Assistance in getting your school built
- **Grand Opening** and continued marketing support
- Advice on **pricing strategy**
- Continuous **system improvement** and product development
- Unique opportunities for students, who can audition to be a part of the AllStars, representing the most dedicated students, and tour during the Summer through legendary stages all over the United States.

## A PLACE FOR EVERYONE

Plenty of kids grow up without a tribe to call their own. Fitting in can be hard. If they are not naturally extroverted and self-confident, if they don't easily engage with other kids or they're not natural athletes, or they just haven't honed in on their particular interests. Over and over again at School of Rock, parents and teachers and the kids themselves tell us how our education franchise has given these kids a place to belong and how they've blossomed at school.

For a kid who never fit into team sports or any of those other worlds, the implications are far-reaching. For a music-loving entrepreneur, the rewards go far beyond financial.

"What we're focused on is the mission of School of Rock, which is inspiring kids to rock on stage and in life," says Steve McFarland, a multi-unit owner and executive business coach in Indiana.

"One mom came up to me and said, 'I don't think my daughter could have made it through another year of high school without School of Rock.' She didn't have any friends, and she just wasn't plugged in. There were tears in this woman's eyes. Now her daughter is confident, and she has friends and she is plugged in. She's found her passion."

## IF YOU LOVE MUSIC AND YOU'RE LOOKING FOR THE BEST KIDS FRANCHISE IN THE SEGMENT, SCHOOL OF ROCK MIGHT BE FOR YOU

Retired from the road? Ready to cut back on touring? Looking for a way to stay involved in music while providing for the family? Passionate about music and experienced in business, but looking for Career 2.0? Our franchisees come from all sorts of backgrounds, but the trait that connects them and makes School of Rock one of the best kids' franchises for the musically inclined is their love of music. Whether they play professionally, had a garage band in high school or just sing along to the radio on the way to work, music has always been a part of their lives.



The confidence, self-discipline and sense of belonging our students gain carry over into every other facet of their lives. They benefit from becoming part of something bigger than themselves — a benefit our School of Rock franchise owners experience as well, whether they're musicians or not.

"Anyone who has a passion for something will be great at what they're trying to do. I would suggest an owner just have a passion for music," says Ryan Schiff, District Manager of our schools in West Los Angeles, Venice Beach, Burbank, Pasadena, and South Bay (Redondo Beach) and frontman for the alt-rock group Lou Pine. "You don't necessarily have to be able to perform and play music, but having a real passion for rock and roll, and music, and kids, and being able to teach kids how to play music is the most important thing."

The market has been recognizing School of Rock and recommending us to prospects: Franchise Business Review awarded us with the Top Franchisees Satisfaction Award in 2020. School of Rock was ranked by Entrepreneur Magazine the top Children's Music Enrichment Brand in the world. The magazine also ranked us in 2017, 2018, 2019, 2020, 2021 and 2022. In 2018, we were voted the #2 franchise in our investment level by Forbes magazine, an assessment that included over 3,500 other franchisors. In 2021, we also received distinguished 2021 Franchise Innovation Award for the School of Rock Method App™, and the Top Franchise Culture by Franchise Business Review.



## AWARDS AND ACCOLADES

### 2024

**#1 IN CATEGORY: ENTREPRENEUR**



### 2023

**Global Champion:** Global Franchise  
**Category Winner:** Global Franchise  
**Hall of Fame - 10 Consecutive Years:** Entrepreneur  
**Top Global Franchise:** Entrepreneur  
**Best Of The Best:** Entrepreneur  
**#1 In Category:** Entrepreneur  
**Top Franchise For Veterans:** Entrepreneur  
**Top Franchise:** Franchise Business Review  
**Most Innovative Franchise:** Franchise Business Review  
**Most Profitable Franchises:** Franchise Business Review  
**Recession-Proof Franchise:** Franchise Business Review  
**Franchise Rock Star:** Franchise Business Review  
**Top 400 Franchise:** Franchise Times  
**Gold Award - Employee Satisfaction:** Franchising@Work  
**Loyalty Champion Award:** Listen360

### 2022

**Regional Champion - Americas:** Global Franchise  
**Category Winner:** Global Franchise  
**Top Global Franchise:** Entrepreneur  
**Best Of The Best:** Entrepreneur  
**#1 In Category:** Entrepreneur  
**Fastest Growing Franchise:** Entrepreneur  
**Top Franchise:** Franchise Business Review  
**Most Innovative Franchise:** Franchise Business Review  
**Top Franchise For Veterans:** Franchise Business Review  
**Gold Award - Employee Satisfaction:** Franchising@Work  
**Franchise Of The Year Award:** IFA  
**Franchise Innovation Award Winner**

## AWARDS AND ACCOLADES

### 2021

**Category Winner:** Global Franchise

**Best Of The Best:** Entrepreneur

**#1 In Category:** Entrepreneur

**Best In Category:** Franchise Business Review

**Top Franchise:** Franchise Business Review

**Top Franchise Culture:** Franchise Business Review

**Franchise Rock Star:** Franchise Business Review

**Exceptional Franchise Leader:** Global Franchise

**Franchise Innovation Award Winner**

### 2020-2019

**Best Of The Best:** Entrepreneur

**#1 In Category:** Entrepreneur

**Top Franchise:** Franchise Business Review

**Top 200 Franchise:** Franchise Times

**America's Best Franchise:** Forbes

**RANKED:** Entrepreneur

### 2018 & OLDER

**America's Best Franchise:** Forbes (2018)

**#1 In Category:** Entrepreneur (2018)

**Franchise 500 Ranked:** Entrepreneur (2017)

**Top 20 Edu Franchise:** Franchise Business Trends

**Franchise 500 Ranked:** Entrepreneur (2016)

**Franchise 500 Ranked:** Entrepreneur (2015)

**Franchise 500 Ranked:** Entrepreneur (2014)

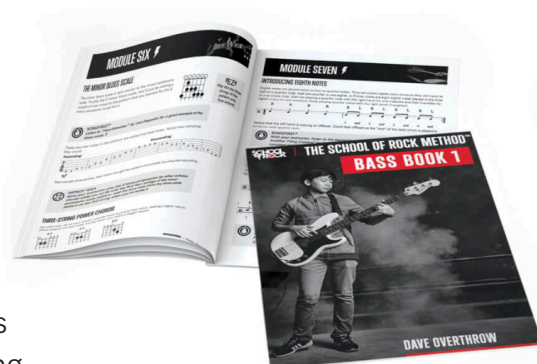
**Franchise 500 Ranked:** Entrepreneur (2013)

## SCHOOL OF ROCK METHOD

- We start students on their musical journey by teaching the songs that inspire them. Through this **SongFirst®** approach, we use classic songs to teach technique and theory. This method helps students remain engaged with and excited about, their educational experience
- Our patented **School of Rock Method™** offers a unique set of tools for an immersive approach, similar to learning a foreign language, where students start learning real rock songs right away
- **The Method** includes proprietary **Method Books** and a **Method App**, groundbreaking resources for instructors, students and parents

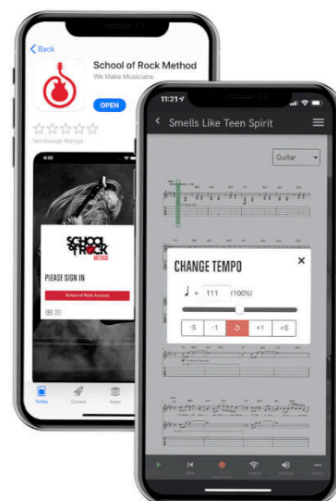
## METHOD BOOKS

Our proprietary **Method Books** are the roadmap for our educational approach. The books outline musical concepts and techniques, and then connect them to classic songs for students to learn and play. Students will also find tips on rehearsing and performing with a band.



## METHOD APP

Our revolutionary **Method App™** is invaluable tool for home practice. It contains all of the exercises from the School of Rock **Method Books™**, along with transcriptions of over 1,000 songs. The **Method App™** is used by our teachers to assign exercises and songs, and to provide feedback and comments. Students can manipulate playback, tempo, and backing track audio to help them learn.



The patented **School of Rock Method™** is only available to students enrolled at School of Rock.

Start a conversation today by calling 877-556-6184



## WE LOVE MUSICIANS

We create jobs for other working musicians, as each school typically employs about 20 part-time teachers who are likely professional musicians as well. While it's true there are different labor pools in Peoria than in, say, Chicago or New York, we find that there are always people out there, and being able to hire professional musicians helps boost overall franchisee satisfaction.

Musicians are the sort of people who would play just for the sheer joy of it, which is why so many pros still need day jobs. With musicians running our schools and teaching our students, School of Rock has earned its reputation as the premier music education school. Our students not only learn to play an instrument, they learn how to work within a group as they form bands with their peers, how to prepare for a live show, how to handle the unexpected during those performances, and what it's like to go on tour.



Chesapeake, VA

## FRANCHISEE REVIEWS

"There's absolutely nothing like it. It's a proven model: The opportunity and the structure of the business and the programs are a success. There's nothing out there in the majority of markets I know of that can compete on that level. You may have some mom-and-pop type of schools that do something similar, but we're a global brand." - **Bea Escobar - School of Rock Fayetteville, AR**

"Most of the kids who come to School of Rock are just drifting through school, they're not plugged in anywhere. Their parents are frustrated. They've tried band, they've tried soccer — nothing sticks. They feel like failures. They send their kids to School of Rock and now they're plugged in, they've got a network of friends, they've got mentors in our teachers, they're performing on stage, they're confident. Their parents are over the moon." - **Steve McFarland - School of Rock Carmel and Fishers, IN**

"My vision for School of Rock West Cobb is that it will be a place for everyone, of every age, of every background. Our goal is to become the leader in performance-based music education for the community, where all students are welcomed and encouraged to express themselves through the universal language of music, so they can rock both on stage and in life." - **Gabriel Rudge - School of Rock West Cobb, GA**

"I am 100% meeting my goals. For me, the School of Rock investment is amazing. It's central to everything I'm about. I care about people, I care about helping kids, I love music and we are generating cash. It's phenomenal." - **Matt Ross (Former SoR CEO) - School of Rock Chatham, Cresskill, and Clark, NJ**

"School of Rock is truly an amazing brand! I have never seen such a powerful product. Because of what we do for kids and the impact we make in our community, we attract some very talented and passionate people to join our team. Having great staff makes a huge difference when you own a business." - **Cecilia Yi - School of Rock Roseville, Elk Grove, and Sacramento, CA**

"I was talking to a lot of different friends with similar-sized businesses in and out of franchising. I was looking through all the Yelp reviews for School of Rock and I couldn't find a bad one. Some Schools have 40 reviews and you can barely find anything negative. I saw the strength of School of Rock. All my customer experiences are glowingly positive." - **Jim Gignac - School of Rock Arlington Heights, IL**

## JOIN THE BAND!

A School of Rock franchise stands out among music school businesses by engaging kids in a unique way. We teach rock music that resonates with them and the fundamentals of playing with a group of musicians on stage.

If you've been dreaming about how to start a music school, one of the first things you want to know is how much your initial investment will run. To be a qualified candidate, you and/or your group need at least \$150,000 in liquid assets and a net worth over \$350,000.

The initial investment for a single School of Rock location ranges from \$441,000 to \$593,900. If you qualify for a small business loan through our preferred lending partner, your cash contribution may only be 20% of the total initial investment.



The chart on the following page is from Item 7 of our latest Franchise Disclosure Document (FDD). It shows how the initial investment is spent. For a closer look at our financial picture, and to start a no-obligation conversation about the School of Rock franchise opportunity, call (877) 556-6184.



## ESTIMATED INITIAL INVESTMENT

### YOUR ESTIMATED INITIAL INVESTMENT<sup>18</sup> (Franchise Agreement)

TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Initial franchise fee <sup>1</sup>	\$49,900	Lump sum	At signing of Franchise Agreement	Franchisor
Initial Rent Outlays <sup>2</sup>	\$13,750 • \$21,250	Lump sum	At signing of lease agreement	Landlord
Site Selection and Leasehold Improvements <sup>3</sup>	\$262,500 • \$325,000	As arranged	Before opening; as incurred	Contractors / Suppliers
Furnishings and Finishings <sup>4</sup>	\$14,000 • \$26,000	As arranged	Before opening	Suppliers
Equipment <sup>5</sup>	\$26,000 - \$30,000	As arranged	Before opening	Suppliers
Security Camera <sup>6</sup>	\$11,000 - \$20,000	As arranged	Before opening	Suppliers
Signage <sup>7</sup>	\$7,000 - \$14,000	As arranged	Before opening	Suppliers
Supplies <sup>8</sup>	\$1,000 - \$2,000	As arranged	Before opening	Suppliers
Pre-Opening Training <sup>9</sup>	\$1,250 - \$2,000	As arranged	Before opening	Suppliers
Advertising <sup>10</sup>	\$10,000	As arranged	Before opening and within 30 days after opening	Suppliers
Opening Inventory <sup>11</sup>	\$3,000 • \$4,000	Lump sum; as arranged	Before opening; as incurred	Suppliers
Computer/ Software <sup>12</sup>	\$4,000 • \$8,500	As arranged	Before opening; as incurred	Suppliers
Permits & Licenses <sup>13</sup>	\$2,000 - \$3,500	As arranged	As incurred	Government Authorities
Architectural Fees <sup>14</sup>	\$10,000 - \$11,750	As arranged	As incurred	Suppliers
Prepaid Insurance Premiums <sup>15</sup>	\$500 • \$3,000	As arranged	As incurred	Insurance Broker
Utility Costs & Deposits <sup>16</sup>	\$600 - \$1,500	As arranged	Before opening; as incurred	Suppliers
Miscellaneous Opening Expenses <sup>17</sup>	\$3,500 • \$7,500	As arranged	As incurred	Consultants
Additional Funds for 3 months <sup>18</sup>	\$21,000 • \$54,000	As arranged	As incurred	Suppliers / Employees / Others
<b>TOTAL<sup>19</sup></b>	<b>\$441,000 • \$593,900</b>			

## HOW MUCH CAN I MAKE?

### OUR PROVEN SYSTEMS, TRAILBLAZING EDUCATIONAL APPROACH AND FRANCHISEE-FOCUSED CULTURE ALL PLAY A PART IN SCHOOL OF ROCK FRANCHISEE EARNINGS

A passion for music and music education is crucial in our business, but it's also important to understand the financial ins and outs of our business model, including average School of Rock franchise earnings.

We can't predict how much you'll earn as a franchisee, but we can show you just how much franchisees have earned in years past. Qualified franchise candidates will receive a copy of our Franchise Disclosure Document (FDD), which includes earnings reported by franchise owners, as well as more detailed information about startup costs and what you get for your initial investment.

At School of Rock, music education is our sole reason for being, and our business model is based on turning that passion into profit. We pour everything we do into helping children and teenagers find themselves through the rock



# ITEM 19



**Table 1**

**Annual Total Sales and Average Student Enrollment (All Designated Schools)**

Table 1 below provides the annual Total Sales and average student enrollment information for all Designated Schools in 2022.

Type of Business	Average Annual Total (2022)	Median Annual Total Sales (2022)	Highest Annual Total Sales (2022)	Lowest Annual Total Sales (2022)	Average Student Enrollment as of January 1, 2022	Average Student Enrollment as of December 31, 2022	Percentage Increase in Average Student Enrollment from January 1, 2022 to December 31, 2022
Company-owned	\$724,167	\$636,907	\$1,382,962	\$263,291	187	208	11%
Franchised	\$623,161	\$599,844	\$1,932,416	\$183,288	170	192	13%

For Table 1, the number of Company-owned Designated Schools that attained or exceeded the average annual Total Sales figure for 2022 was 17 (39%). The number of Company-owned Designated Schools that attained or exceeded the median annual Total Sales figure for 2022 was 22 (50%). The number of franchised Designated Schools that attained or exceeded the average annual Total Sales figure for 2022 was 83 (44%). The number of franchised Designated Schools that attained or exceeded the median annual Total Sales figure for 2022 was 95 (50%).

**Table 2**

**Annual Total Sales and Average Student Enrollment (Established Designated Schools Only)**

Table 2 below provides the annual Total Sales and average student enrollment information for all Established Designated Schools in 2022.

Type of Business	Average Annual Total Sales (2022)	Median Annual Total Sales (2022)	Highest Annual Total Sales (2022)	Lowest Annual Total Sales (2022)	Average Student Enrollment as of January 1, 2022	Average Student Enrollment as of December 31, 2022	Percentage Increase in Average Student Enrollment from January 1, 2022 to December 31, 2022
Company-owned	\$734,885	\$640,462	\$1,382,962	\$292,320	189	211	12%
Franchised	\$643,534	\$611,163	\$1,932,416	\$183,288	178	196	10%

For Table 2, the number of Company-owned Established Designated Schools that attained or exceeded the average annual Total Sales figure for 2022 was 17 (40%). The number of Company-owned Established Designated Schools that attained or exceeded the median annual Total Sales figure for 2022 was 22 (51%). The number of franchised Established Designated Schools that attained or exceeded the average annual Total Sales figure for 2022 was 77 (45%). The number of franchised Established Designated Schools that attained or exceeded the median annual Total Sales figure for 2022 was 86 (50%).



Table 3

**2022 Student Enrollment Numbers (All Designated Schools)**

Table 3 below provides the average and median student enrollment at each of the Designated Schools as of January 1, 2022 and December 31, 2022. The percentage increase statistics reflect the difference between the total enrollment numbers at the average enrollment school, median enrollment school, highest enrollment school, and lowest enrollment school calculated as of January 1, 2022 and the total enrollment numbers at the average enrollment school, median enrollment school, highest enrollment school, and lowest enrollment school calculated as of December 31, 2022.

	Student Enrollment								Percentage Increase in Total Enrollment from January 1, 2022 to December 31, 2021			
	As of January 1, 2022				As of December 31, 2022							
Type of Business	Avg.	Median	High	Low	Avg.	Median	High	Low	Avg.	Median	High	Low
Company-owned	187	167	356	95	208	176	412	85	11%	5%	16%	-11%
Franchised	170	160	458	38	192	184	567	72	13%	15%	24%	89%

The number of Company-owned Designated Schools that attained or exceeded the average student enrollment figure as of January 1, 2022, was 17 (39%) and as of December 31, 2022, was 19 (43%). The number of Company-owned Designated Schools that attained or exceeded the median student enrollment figure as of January 1, 2022, was 22 (50%) and as of December 31, 2022, was 22 (50%). The number of Company-owned Designated Schools that attained or exceeded the average percentage increase in total enrollment in 2022 was 19 (43%). The number of Company-owned Designated Schools that attained or exceeded the median enrollment school's percentage increase in total enrollment in 2022 was 28 (64%). Nine of the Company-owned Designated Schools had a decrease in total enrollment in 2022.

The number of franchised Designated Schools that attained or exceeded the average student enrollment figure as of January 1, 2022, was 82 (43%) and as of December 31, 2022 was 88 (46%). The number of franchised Designated Schools that attained or exceeded the median student enrollment figure as of January 1, 2022 was 97 (51%) and as of December 31, 2022 was 95 (50%). The number of franchised Designated Schools that attained or exceeded the average percentage increase in total enrollment in 2022 was 88 (46%). The number of franchised Designated Schools that attained or exceeded the median enrollment school's percentage increase in total enrollment in 2022 was 83 (44%). Forty-two of the franchised Designated Schools had a decrease in total enrollment in 2022.

Table 4

**2022 Student Enrollment Numbers (Established Designated Schools Only)**

Table 4 below provides the average and median student enrollment at each of the Established Designated Schools as of January 1, 2022 and December 31, 2022. The percentage increase statistics reflect the difference between the total enrollment numbers at the average enrollment school, median enrollment school, highest enrollment school, and lowest enrollment school calculated as of January 1, 2022 and the total enrollment numbers at the average enrollment school, median enrollment school, highest enrollment school, and lowest enrollment school calculated as of December 31, 2022.

	Student Enrollment								Percentage Increase in Total Enrollment from January 1, 2022 to December 31, 2022			
	As of January 1, 2022				As of December 31, 2022							
Type of Business	Avg.	Median	High	Low	Avg.	Median	High	Low	Avg.	Median	High	Low
Company-owned <sup>1</sup>	189	167	356	95	211	179	412	88	1%	7%	16%	-7%
Franchised <sup>2</sup>	178	163	458	73	196	188	567	80	10%	16%	24%	10%

The number of Company-owned Established Designated Schools that attained or exceeded the average student enrollment figure as of January 1, 2022, was 17 (40%) and as of December 31, 2022 was 19 (44%). The number of Company-owned Established Designated Schools that attained or exceeded the median student enrollment figure as of January 1, 2022 was 22 (51%) and as of December 31, 2022 was 22 (51%). The number of Company-owned Established Designated Schools that attained or exceeded the average percentage increase in total enrollment in 2022 was 19 (44%). The number of Company-owned Established Designated Schools that attained or exceeded the median enrollment school's percentage increase in total enrollment in 2022 was 23 (53%). Eight of the Company-owned Established Designated Schools had a decrease in total enrollment in 2022.

The number of franchised Established Designated Schools that attained or exceeded the average student enrollment figure as of January 1, 2022 was 76 (44%) and as of December 31, 2022 was 78 (45%). The number of franchised Established Designated Schools that attained or exceeded the median student enrollment figure as of January 1, 2022 was 86 (50%) and as of December 31, 2022 was 86 (50%). The number of franchised Established Designated Schools that attained or exceeded the average percentage increase in total enrollment in 2022 was 79 (46%). The number of franchised Established Designated Schools that attained or exceeded the median enrollment school's percentage increase in total enrollment in 2022 was 60 (35%). Forty-two of the franchised Established Designated Schools had a decrease in total enrollment in 2022.



Table 5

**2022 Annual Average and Median Total Sales at Franchised Designated Schools**  
**(Grouped by Number of Months in Operation)**

The tables below provide the annual average and median Total Sales for the franchised Designated Schools' operations from January 1, 2022 to December 31, 2022. The Schools are grouped by number of months the Schools had been in operation as of December 31, 2022. The percentage change column shows the change between the average 2021 Total Sales for the subset and the average 2022 Total Sales for the subset; as well as the change between the median 2021 Total Sales for the subset and the median 2022 Total Sales for the subset. These tables only present information for Schools that were open the full year of 2022.

**Total Sales 2022**  
**By Vintage - Franchised (US)**

Vintage (months)	Number of Franchise Schools	Average 2022	Median 2022	High	Low	% Change - Average	% Change - Median
13-24	16	\$420,912	\$378,566	\$758,964	\$197,183	n/a	n/a
25-36	16	\$561,028	\$513,903	\$974,771	\$326,970	45%	45%
37-48	25	\$559,157	\$565,675	\$842,866	\$264,644	27%	27%
49-60	14	\$510,082	\$476,487	\$929,729	\$183,288	33%	43%
61-72	9	\$696,914	\$615,103	\$1,327,362	\$278,505	33%	29%
73+	110	\$684,520	\$648,270	\$1,932,416	\$224,710	27%	28%

Total Sales Metrics 2022		Schools At or Above Average		Schools At or Above Median	
Vintage (months)	Number of Franchise Schools	Number	percentage	Number	Percentage
13-24	16	6	38%	8	50%
25-36	16	7	44%	8	50%
37-48	25	13	52%	13	52%
49-60	14	7	50%	7	50%
61-72	9	2	22%	5	56%
73+	110	45	41%	55	50%

Table 6

**2022 Average Student Enrollment at Franchised Designated Schools**  
**(Grouped by Number of Months in Operation)**

The tables below provide the average and median student enrollment for the franchised Designated Schools operating from January 1, 2022, to December 31, 2022. The Schools are grouped by number of months the Schools had been in operation as of December 31, 2022. The percentage change columns show the change between the average student enrollment for the subset as of January 1, 2022, and the average student enrollment for the subset as of December 31, 2022; as well as the change between the median student enrollment for the subset as of January 1, 2022, and the median student enrollment for the subset as of December 31, 2022. These tables only present information for schools that were open the full year of 2022.

**Student Enrollment as of December 31, 2022**  
**By Vintage - Franchised (US)**

Vintage (months)	Number of Franchise Schools	Average 2022	Median 2022	High	Low	% Change - Average	% Change - Median
13-24	16	156	127	367	72	n/a	n/a
25-36	16	175	166	287	102	13%	16%
37-48	25	167	173	227	80	6%	7%
49-60	14	176	169	292	95	15%	6%
61-72	9	233	202	490	84	17%	22%
73+	110	204	199	567	91	10%	11%

Student Enrollment Metrics 2022		Schools At or Above Average		Schools At or Above Median	
Vintage (months)	Number of Franchise Schools	Number	Percentage	Number	percentage
13-24	16	7	44%	8	50%
25-36	16	7	44%	9	56%
37-48	25	14	56%	13	52%
49-60	14	5	36%	7	50%
61-72	9	3	33%	5	56%
73+	110	50	45%	55	50%



Table 7

**Average Total Sales and Net Operating Income as a Percentage of Average Total Sales of Established Company Designated Schools**

The table below provides financial information from January 1, 2022, to December 31, 2022 for the 43 Company-owned schools that had been operated by School of Rock, LLC and/or its affiliates for 24 months or more as of December 31, 2022. This table does not include the four Company-owned schools that were acquired from franchisees during 2022, the three Company-owned schools that were sold to a franchisee in 2021 or 2022, or the Company-owned school that closed in 2021.

COMPANY-OWNED SCHOOLS	Average (Annual)	% of Total Sales	% of Schools at or Above Average	# of Schools at or Above Average
Total Sales	\$734,885	100.0%	39.5%	17
Cost of Sales	\$243,850	33.2%	44.2%	19
Gross Profit	\$491,035	66.8%	39.5%	17

Operating Expenses				
Management Labor	\$89,366	12.2%	34.9%	15
Admin Labor	\$33,022	4.5%	44.2%	19
Rent	\$80,967	11.0%	39.5%	17
National Brand Fund	\$22,080	3.0%	39.5%	17
IT Expense**	\$4,070	0.6%	100.0%	43
Imputed Royalties***	\$58,791	8.0%	39.5%	17
Other Expenses****	\$49,839	6.8%	41.9%	18
Total Expenses	\$338,135	46.0%	34.9%	15

Net Operating Income	\$ 152,900	20.8%	39.5%	17
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Average Total Sales	\$734,885 (17 Company-owned locations, 40% were at or above this figure)
Median Total Sales	\$640,462 (22 Company-owned locations, 51 % were at or above this figure)
Highest Total Sales	\$1,382,962
Lowest Total Sales	\$292,320

\*\* IT fees are \$3.00 fee in all schools.

\*\*\* Imputed royalties estimated using 8% royalty fee.

\*\*\*\* Other expenses include local marketing, occupancy costs, and various other expenses.

## FRANCHISE AWARDING PROCESS

### 1 CASTING CALL- INITIAL CANDIDATE SCREENING

Once you've completed a form on our website, you'll soon receive a call from one of our Franchise Development Team members. To speed up the process call (877) 556-6184

### 2 AUDITION- CANDIDATE INTERVIEW

You'll discuss your qualifications and School of Rock business model with a member of our Franchise Development team

### 3 CALLBACK AUDITION- COMPANY DETAILS

A member of our Franchise Development team will share with you insights on how our system works.

### 4 REHEARSAL- FRANCHISE DISCLOSURE DOCUMENT REVIEW

Submit your application and qualifying financial documents, and we'll send our latest FDD. Shortly thereafter, we'll review the FDD with you and answer any questions you may have

### 5 ON TOUR- PROGRAM REVIEW/DUE DILIGENCE

You will further explore details of opening a School of Rock, including:

- Reviewing your funding options and applying for financing
- Executive interviews
- Franchisee outreach and site visits
- Writing your business plan
- Exploring real estate options in your market

### 6 OPENING ACT- DISCOVERY DAY

Attend our Opening Act [Discovery Day], visit local schools, meet one-on-one with our Leadership Team

### 7 AUTOGRAPH SESSION- FINAL APPROVAL/SIGNING OF FRANCHISE AGREEMENT

If leadership extends an offer, you'll sign a Franchise Agreement and pay your franchise fee

### 8 BUILDING YOUR ROCK & ROLL EMPIRE- BUILD, TRAIN, OPEN

Open your own School of Rock

Start a conversation today by calling 877-556-6184

