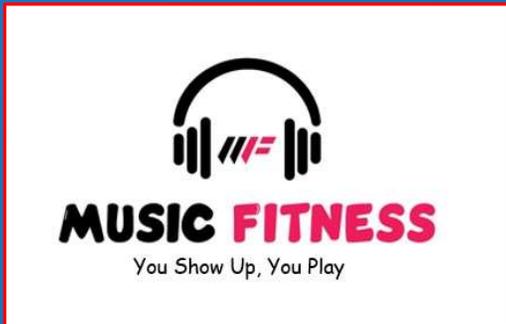
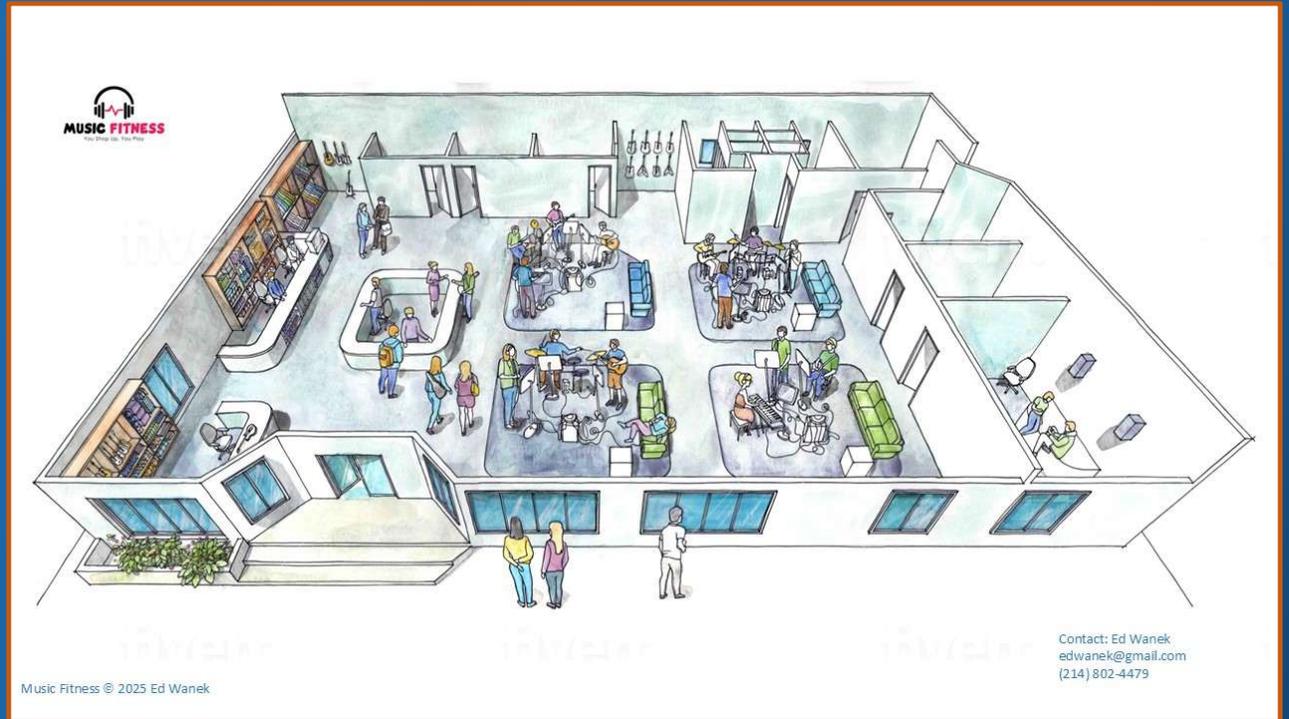


Music Fitness

"You Show Up, You Play"



Ed W., Lead Creator
email: info@music-fitness.com
website: www.music-fitness.com

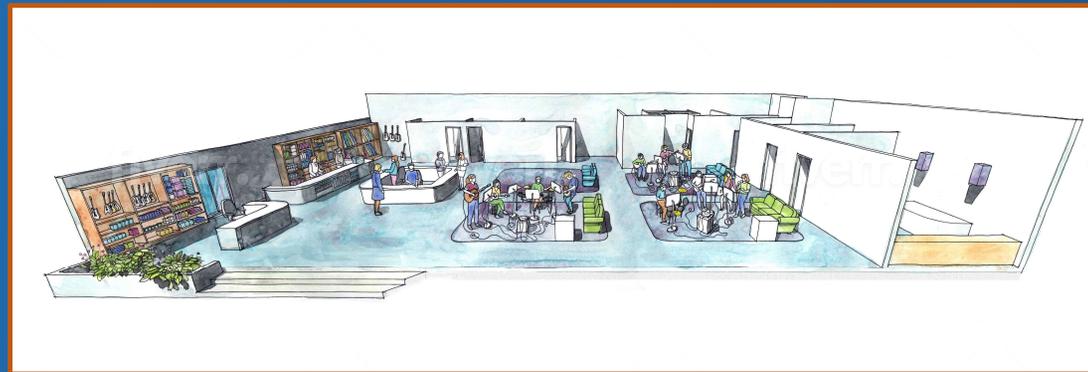


Introduction

- What is Music Fitness?

- A Place

- An all-inclusive facility for musicians to gather and play their instruments
 - Modeled after an exercise center, “walk-in” operation, membership based



- A Company:

- Creators of the Music Fitness Facility concept
 - C-Corp Registration in Delaware in progress

The Problem

➤ A Typical Situation:

- You decide you want to learn guitar
 - You buy an instrument
 - You take private lessons
 - You learn to play a song from YouTube

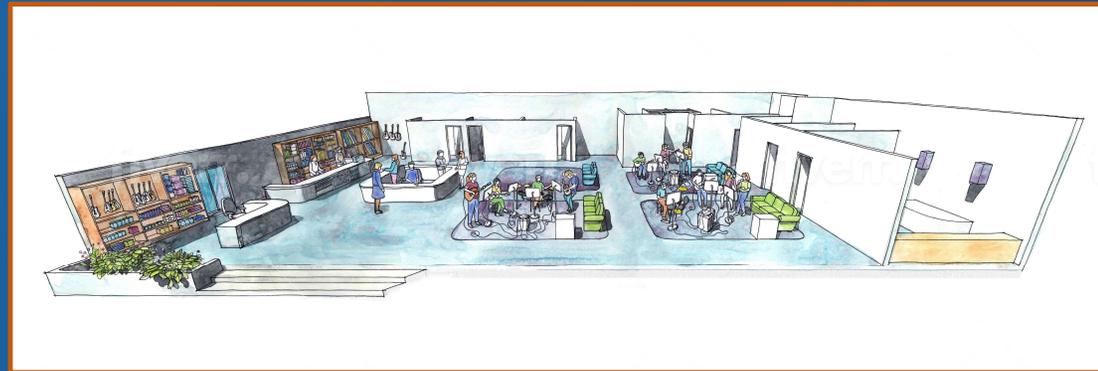
• Now what?

- You feel the need to play with someone
 - Craigs List? BandMix App?
 - Media is band focused – maybe you're not ready to commit
- Where to go to meet and play with other musicians?
- 90% of guitarists quit in the first few months (Fender 2022 study)
 - 90% x 2.6M Guitars sold in 2024 = **2.3M Missed Opportunities in follow-on Product & Service Sales!!**



The Solution

- Construct a 30,000+ sq. ft. facility
 - Where members can:
 - Join other musicians in structured jams led by an instructor
 - Learn and practice musical fundamentals in structured classes
 - Play in instructor led acoustic ensembles
 - Hear and meet other musicians as they perform on a private stage
 - Shop for quality instruments and gear
 - Socialize in a relaxed lounge setting for members only
 - Be a member and feel included



Target Market

- Adults, working and retired
 - Offer day and evening activities
 - Jams
 - Instructor-led
 - Self-led
 - Group Instruction
 - Rehearsal Rooms
 - A stage with sound reinforcement and lighting
 - Private Instruction
 - Computer Software Instruction
 - Retail Sales
- Teens
- Pre-Teens
- Anyone interested in pursuing playing a musical instrument or singing



Market Size

- # of People Interested in playing a musical instrument in the US
 - Approximately one in four Americans (24% or 83M Americans) can play a musical instrument, according to a 2022 survey by Guitar Center
- Musical Instrument Sales
 - In 2024, 2,630,950 guitars were sold in the US
 - The global guitar market is expected to have a compound annual growth rate (CAGR) of 7.7% between 2023 and 2030
- School of Rock Revenue
 - Founded in 1998
 - \$634M across 410 locations in the US and internationally
- Rockstars of Tomorrow Revenue
 - Founded in 2007
 - \$5M across 10 locations in the Southwest US

Business Model

- Sources of Revenue
 - Monthly Memberships, Standard and Pro
 - Day Passes
 - Stage and Rehearsal Room rentals for non-members
 - Retail Sales:
 - Musical Instruments
 - Accessories
 - Coffee & Refreshments



Traction

- Created Architectural Sketches
- Drafted Business Plan
- Created Finance Model / Cash Flow
- Activities and Staffing Defined
- Launched Jammin' Charts, LLC
 - 100+ Chord-Lyric Charts uploaded for purchase on Sheet Music Direct and Sheet Music Plus
- Host "Play & Sing Along" Monthly Events
 - We provide hardcopy chord-lyric charts from Jammin' Charts and backing tracks from Jamzone

Competition

• The Competition:

- School of Rock: targets teens, rock is only genre, 2-month committal
- Rockstars of Tomorrow: targets teens, rock is only genre, 2-month committal
- Rehearsal Studios: no organized jams or lessons
- City Colleges: classical and jazz in only genre, need to register, classes only during the day
- Music Stores: no organized jams, no rehearsal rooms
- Suburban Homes: noisy for family members, risky bringing in unknown musicians

• Competitive Advantages

- Single location to meet all musical needs:
 - Performance with other musicians
 - Retail Sales
 - Instrument Setup and Repair
 - Private Stage Performance
 - In-Person Socializing
- Offer Month-to-Month membership with no contract
- Outfitted JamStations to enable performance of popular songs with other musicians
 - Instructor led
 - Play to backing tracks
 - Utilize private mixers to adjust headphone volume for each participant

Market Sales and Strategy

- Media and Ad Campaigns
 - Videos, Explanatory, Tutorial and Testimonial
 - Music Fitness Website
 - Google Business Profile
 - Social Media
 - Podcasts
 - Partner with local music talent
 - Discounted Memberships and Day Passes

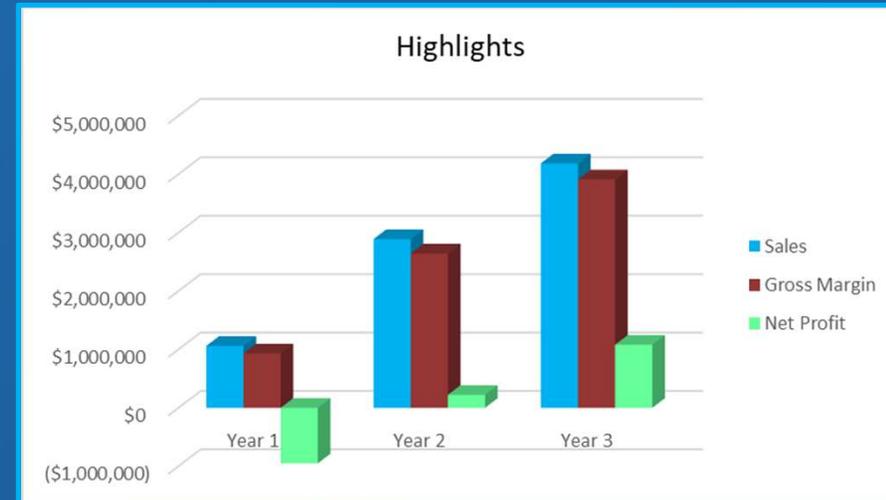


The Team

- Co-Founders Ed Wanek and Sergey Sushchikh
 - Ed Wanek:
 - Musician with 40+ units in formal music education
 - Played 100+ paying gigs
 - Participated and led 'Music Club' performance activities
 - 40+ years in Defense Contracting Industry (Engineer, 20+ years Functional Management, Program Management, \$45M Programs)
 - BS in Engineering
 - Sergey Sushchikh:
 - 7+ years as System Engineer in Aerospace Industry
 - Up and coming musician
 - BS and MS in Engineering

Financials

- Forecast:
 - Sales of ~\$4.2M after 3 years of operation
 - Gross Margin of ~\$3.9M after 3 years of operation
 - Net Profit of ~\$1M after 3 years of operation
- Initial Investment: \$4.2M
 - Development Costs: \$450K
 - Startup Costs: \$2.7M
 - Initial Working Capital: \$1M
- Membership Growth (after 3 yrs.) 2,130 members
- Employee Growth (after 3 yrs.) 32 staff members (employees)
- Retail Sales Growth (0-3 yrs.): \$4.2M
- Cash flow turns positive: at Month 17
- Cash Balance (after 3 years): \$1.4M



The Ask

- Seeking \$4.2M in funding
- Could use assistance in forming a capable team:
 - Musicians: lead music performance activities
 - Engineers: audio systems design
 - Technicians: Audio Equipment System Maintenance, Instrument Repair
 - Specialists: Ad and Media Campaign

Backup

Company Vision and Mission

- Vision:

- ❖ Become the music industry leader in music performance activities, retail sales and services by offering the ultimate musical experience not offered at any other single facility (“one-stop-shop”). Grow from an initial location to many across the US and internationally.

- Mission:

- ❖ Provide musicians all the desired performance activities, retail products and services for all skill levels at a single location to achieve the ultimate enjoyable musical experience, at a reasonable price.
- ❖ This includes: “walk-in” opportunities for musical pop music jams with other musicians, space and equipment for instructor-led and self-led music group rehearsal, areas and technology for individual learning and practice, environment for live audience solo and group performances, retail sales with top quality instruments selection and service, surroundings for meeting and socializing with fellow-minded musicians.

Key Activities Matrix

Activity Comparison Matrix						
Activity	Music Fitness	LA Fitness	School of Rock	Rockstars of Tomorrow	Top Golf	Norman's Rare Guitars
Organized Group Activity	Structured Jams, led by a JamLead; Instructor Led Ensemble Performance	none	Weekly Band Practice	Weekly Band Practice	Group Golf Games	none
Member Led Group Activity	Reserve JamStations & perform as a group	Racquetball	none	none	none	none
Class Activity	Guitar Workout, Bass Guitar Workout, Keyboard Workout, Drum Workout, Strings Wind Workout, Percussion Workout	Aerobics Class, Aqua Fit, Cycling, Pilates	none	none	none	none
Personal Training	Private Lessons	Personal Training	Private Lessons	Private Lessons	Private Lessons	Private Lessons
Self-Workout	Individual Workout Stations (PC w/ music training software); Practice Rooms (Self Workout)	Individual Workout Stations and Free-Weights	none	none	none	none
Exhibition Event (w/ audience)	Band and Solo Performance on In-House Stage w/ Sound Reinforcement and Lighting, Performance Events and Reserved Use	none	Band Performance at Local Public Venues	Band Performance at Local Public Venues	none	none
Socializing	Member Lounge	none	none	none	In-Bay Group Socializing	In-Store Lounge
Retail	Music Instrument, Amps, Accessories, etc. for Sale	none	Limited Guitar and Accessory Sales	Limited Guitar and Accessory Sales	Limited Accessory Sales	Guitar Sales
Repair	Setup and Repair	none	none	none	none	Setup and Repair
Food and Beverage	Coffee Drinks, Pastries, Premade Sandwiches	Smoothies & Juice	none	none	Appetizers, Entres, Drings, Alcohol	none
Kids Daycare	Kids Kare	Kids Klub	none	none	none	none

Membership Definition

Music Fitness Membership Definition				
Activity	Music Fitness Guest Pass	Music Fitness Day Pass	Music Fitness Standard Membership	Music Fitness Pro Membership
Daily Fee	no charge	\$25	n/a	n/a
Monthly Fee	n/a	n/a	\$100	\$150
Group JamStation Areas - participate in jam	no access	✓	✓	✓
Group JamStation Areas - reserve, private self-led jam	no access	✓	✓	✓
Group Music Workout Rooms - participate in workout	no access	✓	✓	✓
Group Live Rehearsal Rooms - rental, private group rehearsal	no access	✓	✓	✓
Group Live Ensemble Rooms - participate in performance	no access	✓	✓	✓
Group Live Ensemble Rooms - rental, private performance	no access	✓	✓	✓
Private Music Workout Rooms, reserve	no access	✓	✓	✓
Individual Music Workout Stations - private workout	no access	✓	✓	✓
Showcase Rooms - reserve, self-led act (solo or group)	✓	✓	✓	✓
Showcase Rooms - private party	✓	\$150/hr.	\$100/hr.	\$50/hr.
Guitar Setup and Repair - service	✓	✓	10% discount	20% discount
Musician Member Lounge - access	no access	✓	✓	✓
Retail Area - access	✓	10% discount	10% discount	20% discount
Coffee Bar - access	✓	10% discount	10% discount	20% discount
✓ = unlimited access				
during regular business hours				