

Column 1 Type of Fee⁽¹⁾	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Reservation Operating Platform fee ⁽⁷⁾	Currently \$42,000 per license per year, but could increase if our costs increase. ⁽⁵⁾ The minimum is 3 accounts for operating store.	Monthly	Paid to us to compensate our provider.
Customer Services ⁽⁸⁾	Currently none, but we may charge you fees for certain customer services that we provide for the Franchised Business	As incurred	
Ongoing training fees	Currently none but we may charge a fee in the future	As incurred	Payable only if we require additional training courses.
Design services fee	\$3,000	As incurred	We will provide up to three test fits free of charge. Beginning with the fourth test fit, each subsequent test fit will be charged. This fee is payable to us.
Product and supplier review fees	Our costs for evaluating the proposed product or supplier	As incurred	If you request our approval of a product or supplier that we have not previously approved, you must reimburse us for our costs to evaluate such product or supplier.
Transfer fee – non-control transfer	\$2,500	Before transfer if completed	Payable on proposed non-control transfer.
Transfer fee – control transfer	\$25,000	Before transfer is completed	Payable on proposed control transfer, in addition to any transfer fee under Development Rights Agreement and other Franchise Agreements.
Successor franchise fee	\$12,500	Upon signing successor franchise agreement	
Costs and attorneys' fees	Will vary under circumstances	As incurred	Payable under Franchise Agreement and Development Rights Agreement by non-prevailing party if we or you initiate legal proceedings.

(3) Determine the Development Schedule and the deadlines by which you (or your Controlled Affiliate) must sign a franchise agreement for, and open and begin operating, each Sandbox VR Business to be developed under the Development Rights Agreement. (Development Rights Agreement – Section 5)

If you sign the Development Rights Agreement, then during your operation under that agreement, we will:

(1) Grant or deny requests for 60-day extensions of the Franchise Agreement signing deadline and/or Sandbox VR Business opening deadline on the Development Schedule. The first extension request will be free of charge, even if we grant the 60-day extension request. For the second and each subsequent deadline extension request, you must send us a \$2,500 extension fee with each request. If we grant the extension, the extension fee is non-refundable. If we deny the extension, we will refund the extension fee. (Development Rights Agreement – Section 5)

(2) We may visit proposed sites for the Sandbox VR Businesses. You must reimburse us for our and our personnel's costs and expenses incurred in connection with each such visit. (Development Rights Agreement – Section 8)

(3) Approve sites for Sandbox VR Businesses in the Development Area that meet our then current requirements. We generally do not own sites and lease them to Franchisees, lease sites and sublease them to Franchisees, or select sites for Franchisees. To propose a site for each Sandbox VR Business you must deliver to us: (a) a complete site report and other materials and information we request for that location, and (b) information that we request relating to your (or your Controlled Affiliate's) financial and operational ability to develop and operate the proposed Sandbox VR Business (collectively, the "Site Report"). Each proposed site must meet our then current site selection criteria for Sandbox VR Businesses and be available for lease or purchase in time for you to develop and open a Sandbox VR Business on or before the date set forth in the Development Schedule. You must locate the Sandbox VR Business only at a site we have approved. The site must meet our then current site selection standards. We will provide you up to 3 test fit layouts for each Sandbox VR Business at no additional charge to confirm that a Sandbox VR Business can be operated at the proposed site. We will charge a design services fee of \$3,000.00 per test fit layout for the fourth and each subsequent test fit layout (if any) for each Sandbox VR Business. We will not unreasonably withhold our approval of a site that meets our then current criteria for demographic characteristics; access, traffic patterns; parking; visibility; character of neighborhood; competition from, proximity to, and nature of other businesses; other commercial characteristics; and the proposed site's size, appearance, and other physical characteristics. We also may consider the site's proximity both to the Development Area's boundaries and to other existing or potential sites for Sandbox VR Businesses located outside the Development Area and at Non-Traditional Locations within the Development Area. We will use commercially reasonable efforts to review and either approve or reject a site that you propose within 30 days after receiving the complete Site Report and any other materials we may reasonably request; provided, however, that if we elect to visit the proposed site before approval, then we will use commercially reasonable efforts to visit such proposed site within 30 days after receiving the complete Site Report, after which visit we will use commercially reasonable efforts to approve or reject the proposed site within 30 days. If we have not approved your (or your Controlled Affiliate's) proposed site for any Sandbox VR Business to be developed under the Development Rights Agreement, the rights and obligations set forth in the Development Rights Agreement will govern the selection approval of that site. (Development Rights Agreement – Section 8)

The Computer System permits 24 hours per day, 7 days per week electronic communications between you and us. (Franchise Agreement – Section 2.D)

Training

Our current training program that we provide to new Franchisees after signing the Franchise Agreement and before opening the Franchised Business includes our formal Initial Training Program.

Training Instructors

Program Design: Danielle Beram has been with Sandbox VR for two years. Her experience includes five months as a store manager and nineteen months as Sandbox VR's Field Training and L&D Program Manager. Before joining Sandbox VR, Ms. Beram had ten years of experience with another multi-unit retailer, starting as an entry-level associate, working her way up through multi-unit leadership.

Program Review and Approval: Bryan Price has been with Sandbox VR for three and a half years. His experience includes twenty-one months as Sandbox VR's Senior Director, Store Operations. Mr. Price oversees all operations and operations support for our corporate stores. He was, and continues to be, a key member in defining how our operations work.

Artem Smirnov has been with Sandbox VR for four and half years. His experience includes six months as Sandbox VR's Senior Manager, Stores. Mr. Smirnov leads the day-to-day operations of all corporate stores and began his career at Sandbox VR as a store manager.

Facilitator: Sandbox VR has a certified training store program, that was built and approved by the above listed employees. At present there are two certified training stores:

- Austin, Texas Store Manager: Felix Salazar. Mr. Salazar has been with Sandbox VR for four years. His experience includes two years as a store manager and was our first certified training store manager.
- Las Vegas, Nevada Store Manager: Marcus Lacey. Mr. Lacey has been with Sandbox VR for one and a half years as a Store Manager. Before joining Sandbox VR, Mr. Lacey had over ten years of retail experience, with the last few years as a multi-unit leader.

Initial Training Program

Your Managing Owner, General Manager, and one assistant manager must attend the Initial Training Program and complete the program to our satisfaction at least one month before opening the Franchised Business. However, if the Managing Owner has attended and completed the Initial Training Program to our satisfaction under an existing franchise agreement with us, we will not require the Managing Owner to attend the Initial Training Program. The Initial Training Program may include classroom training, instruction at designated facilities, hands-on training at an operating Sandbox VR Business, remote training (including via Internet access), and/or self-study programs. We do not charge any fees for these people to attend the Initial Training Program, but you must pay for training materials and all travel, living and other expenses that you and your personnel incur during the program. If we decide that you or your personnel cannot complete the Initial Training Program to our satisfaction, we may require you or your personnel to

Other than the preceding financial performance representations, 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 outlet, 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 Lee Hebditch, 4695 Chabot Drive, Suite 200, Pleasanton, California 94588, (925) 558-2768, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

OUTLETS AND FRANCHISEE INFORMATION

All numbers appearing in Tables 1 – 5 below are as of December 31 in each year. Our affiliate operates the Sandbox VR Businesses listed as “company-owned.”

Table No. 1
Systemwide Outlet Summary
For years 2021 to 2023

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2021	0	1	+1
	2022	1	1	0
	2023	7 <u>1</u>	9 <u>2</u>	2 <u>+1</u>
Company-Owned	2021	6	10	+4
	2022	10	23	+13
	2023	27 <u>23</u>	35 <u>31</u>	+8 <u>+8</u>
Total Outlets	2021	6	11	+5
	2022	11	24	+13
	2023	34 <u>24</u>	44 <u>33</u>	+10 <u>+9</u>

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2021 to 2023

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

End of the Applicable Year	Company-Owned	Franchised	Total by Year	Cumulative Total
2019	5	1	6	8
2020	2	0	2	10
2021	5	1	6	16
2022	14	3	17	33
2023	8	5	13	46

Item 21

FINANCIAL STATEMENTS

Exhibit H contains our audited balance sheets as of December 31, 2023, 2022, and 2021 and the related statements of operations, member's equity, and cash flows for the years ended December 31, 2023, 2022, and 2021. [Exhibit H also contains our unaudited balance sheet as of June 30, 2024 and income statement from January 2024 through June 2024.](#)

Item 22

CONTRACTS

The following agreements are exhibits to this Disclosure Document:

1. Franchise Agreement – Exhibit B
2. Development Rights Agreement – Exhibit C
3. Proprietary Software License Agreement – Exhibit D
4. Current Form of Release – Exhibit I
5. State-Specific Riders to Franchise Agreement – Exhibit J

Item 23

RECEIPT

Our and your copies of the Franchise Disclosure Document Receipt are the last pages of this Disclosure Document.

Sandbox VR
Sandbox VR Inc : GloStation USA Inc : GloStation Franchising USA Inc
Balance Sheet
End of Jun 2024

Financial Row	Amount
ASSETS	
Current Assets	
Bank	
100000 - Total Cash	\$408,403.41
Total Bank	\$408,403.41
Accounts Receivable	
110000 - Total Accounts Receivable, Trade	\$1,543,284.86
191000 - Intercompany AR	\$9,345,589.51
Total Accounts Receivable	\$10,888,874.37
Other Current Asset	
120000 - Total - Other Receivable	(\$0.16)
130000 - Total Inventory	\$232,138.13
140000 - Prepaids & Other Current Assets	\$611,062.33
Total Other Current Asset	\$843,200.30
Total Current Assets	\$12,140,478.08
Other Assets	
160000 - Intangible assets, net	\$95,000.00
Total Other Assets	\$95,000.00
Total ASSETS	\$12,235,478.08
Liabilities & Equity	
Current Liabilities	
Accounts Payable	
200000 - Total Accounts Payable	\$410,453.78
290000 - Intercompany AP	\$7,139,772.82
Total Accounts Payable	\$7,550,226.60
Other Current Liability	
210000 - Total Accrued Liabilites & Other Current Liab	
210100 - Total Accrued Expense	\$251,832.35
212000 - Total Other Current Liabilities	\$1,145,298.82
213000 - Total Accrued Taxes	\$109,897.73
Total - 210000 - Total Accrued Liabilites & Other Current Liab	\$1,507,028.90
250000 - ST Def Revenue	\$293,850.10
Total Other Current Liability	\$1,800,879.00
Total Current Liabilities	\$9,351,105.60
Long Term Liabilities	
260000 - Long Term Liabilities	\$1,960,833.00
Total Long Term Liabilities	\$1,960,833.00
Equity	\$923,539.48
Total Liabilities & Equity	\$12,235,478.08

THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT.
PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED
THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR
EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.

Sandbox VR
Sandbox VR Inc : GloStation USA Inc : GloStation Franchising USA Inc
Income Statement
From Jan 2024 to Jun 2024

Financial Row	Amount
Ordinary Income/Expense	
Income	
420000 - Franchising Revenue	\$1,584,801.76
Total - Income	\$1,584,801.76
Cost Of Sales	
500000 - Total Cost of Sales	\$140,517.32
520000 - COS - Sales - Franchise	\$310,964.76
Total - Cost Of Sales	\$451,482.08
Gross Profit	\$1,133,319.68
Expense	
600000 - Operating Expenses	
601000 - Employee Compensation	\$373.26
610000 - Consulting and other Outside Services	\$341,274.74
620000 - Travel Expenses	\$4,033.89
630000 - Advertising & Marketing	\$267,431.80
640000 - Equipment & SW Expenses	\$1,843.60
640500 - Inventory Exp	\$0.12
660000 - Office Expense	\$233,030.89
680000 - Other Operating Expenses	\$33,469.23
Total - 600000 - Operating Expenses	\$881,457.53
Total - Expense	\$881,457.53
Net Ordinary Income	\$251,862.15
Other Income and Expenses	
Other Income	\$90.00
Other Expense	\$15,036.31
Net Other Income	(\$14,946.31)
Net Income	\$236,915.84

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