

	Provision	Section in Franchise Agreement	Summary
			However, no claim made in any franchise agreement is intended to disclaim the express representations made in this Disclosure Document.
u.	Dispute resolution by mediation	Sections 20.1 and 20.2	<p>You must first submit all dispute and controversies arising under the Franchise Agreement to our management and make every effort to resolve the dispute internally.</p> <p>At our option, all claims or disputes arising out of the Franchise Agreement must be submitted to non-binding mediation, which will take place at our then-current headquarters. You must notify us of any potential disputes, and we will provide you with notice as to whether we wish to mediate the matter or not. If the matter is mediated, the parties will split the mediator's fees and bear all of their other respective costs of the mediation.</p>
v.	Choice of forum	Section 20.3	Arbitration will take place where our headquarters is located (currently, Oklahoma) (subject to applicable state law). Any legal proceedings not subject to arbitration will take place in the District Court of the United States, in the district where our headquarters is then located, or if this court lacks jurisdiction, the state courts of the state and county where our headquarters is then located (subject to applicable state law).
w.	Choice of law	Section 20.3	Oklahoma law applies, subject to applicable state law.

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

ITEM 18: PUBLIC FIGURES

We do not currently use any public figures to promote our franchise.

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.

Chart 1	
Tippi Toes Reporting Franchisee Revenue per Franchise Outlet	
Calendar Year	2025
High	1,077,436
Low	53,423
Median	219,449
Average	269,453
Franchise Outlets	35
Franchise Outlets Exceeding Average	15
Percentage of Franchise Outlets Exceeding Average	43%
Chart 2	
Total Student Enrollment Per Month per Franchise Outlet	
Calendar Year	2025
High	1278
Low	56
Median	206
Average	254
Franchise Outlets	35
Franchise Outlets Exceeding Average	15
Percentage of Franchise Outlets Exceeding Average	43%

As of December 31, 2025, we had 88 total franchised outlets in operation. For chart 1 and 2, in 2025, we excluded 53 outlets due to one or more of the following reasons: 15 outlets started operations in 2025 or did not generate sales for the full twelve-month period, 2 outlets transferred ownership, 5 outlets are owned by relatives of the principals of Franchisor, 9 outlets had unreliable reporting, 13 outlets were reported with another outlet due to same ownership, 9 outlets had owners not actively operating the business.

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Chart 3
Profit and Loss Statements

Franchisee	Average	A	B	C	D	E
Population Tier (Item 5 table)		Tier 7	Tier 5	Tier 7	Tier 2	Tier 2
Year Opened		2010	2012	2013	2013	2023
Revenue	\$ 269,453	\$ 545,702	\$ 249,002	\$ 1,077,436	\$ 194,413	\$ 319,222
# of Students billed (not unique students)	3,070	5,615	1,404	12,606	1,883	3,224
Recital Income	53,027	117,402	22,124	127,164	46,243	75,438
Registration	13,377	42,250	8,300	-	12,480	29,223
Tuition	198,673	384,326	123,458	950,272	126,615	214,561
Special Events/Other income	4,376	1,724	95,120	-	9,075	-
COGS	\$ 114,700	\$ 218,142	\$ 110,338	\$ 383,979	\$ 77,091	\$ 125,860
Teacher Wages	61,894	115,011	62,530	197,815	43,499	44,951
Class Rent & Supplies	21,843	54,675	22,455	86,003	9,392	29,069
Event Rent & Supplies	1,236	-	14,807	3,586	1,235	5,870
Recital Expenses	29,518	48,457	10,546	96,575	22,965	46,012
Other COGS	209	-	-	-	-	(42)
<i>COGS (% of revenue)</i>	43%	40%	44%	36%	40%	39%
<i>Gross Margin</i>	57%	60%	56%	64%	60%	61%
SG&A	\$ 64,314	\$ 114,785	\$ 65,840	\$ 262,043	\$ 54,924	\$ 98,457
Admin Payroll Expenses	34,665	73,167	34,793	200,525	33,695	36,109
Technology	5,386	2,663	2,731	10,847	4,070	3,910
Marketing and Advertising	2,578	790	944	375	3,092	745
Meals & Entertainment	2,539	870	-	3,980	538	12,138
Professional Fees	2,659	4,622	3,042	5,243	350	2,673
Administrative & Insurance	10,553	23,857	21,373	24,914	9,324	31,683
Rent/Utilities/Repairs	2,911	6,086	-	7,083	990	8,192
Travel and Automobile Expense	3,023	2,731	2,957	9,075	2,865	3,007
<i>SGA (% of Revenue)</i>	24%	21%	26%	24%	28%	31%
Implied Royalty Fee (7%)	\$ 18,862	\$ 38,199	\$ 17,430	\$ 75,421	\$ 13,609	\$ 22,346
Implied Brand Fund Fee (1%)	\$ 2,695	\$ 5,457	\$ 2,490	\$ 10,774	\$ 1,944	\$ 3,192
Net Income/Owner Profit	\$ 68,882	\$ 169,118	\$ 52,904	\$ 345,219	\$ 46,845	\$ 69,368
<i>Owner Profit %</i>	26%	31%	21%	32%	24%	22%
Franchisee	F	G	H	I	J	K
Population Tier (Item 5 table)	Tier 1	Tier 7	Tier 3	Tier 1	Tier 6	Tier 5
Year Opened	2015	2016	2016	2021	2016	2017
Revenue	\$ 485,969	\$ 328,092	\$ 380,672	\$ 280,031	\$ 432,778	\$ 325,670
# of Students billed (not unique students)	5,488	3,613	4,086	3,026	4,017	3,577
Recital Income	59,526	57,867	82,118	63,259	115,521	80,967
Registration	-	17,389	31,159	15,807	29,820	18,311
Tuition	426,443	249,957	259,370	192,764	281,426	224,832
Special Events/Other income	-	2,880	8,024	8,200	6,010	1,560
COGS	\$ 198,372	\$ 129,988	\$ 228,371	\$ 155,707	\$ 167,556	\$ 158,484
Teacher Wages	87,601	59,576	113,015	102,948	91,043	74,983
Class Rent & Supplies	58,901	32,024	69,468	33,498	19,534	29,145
Event Rent & Supplies	651	178	-	-	1,424	4,369
Recital Expenses	51,219	37,878	45,889	19,260	52,481	49,987
Other COGS	-	331	-	-	3,074	-
<i>COGS (% of revenue)</i>	41%	40%	60%	56%	39%	49%
<i>Gross Margin</i>	59%	60%	40%	44%	61%	51%
SG&A	\$ 96,046	\$ 80,209	\$ 50,070	\$ 42,889	\$ 146,299	\$ 37,187
Admin Payroll Expenses	58,046	22,249	31,539	-	117,328	14,094
Technology	3,151	5,170	1,574	1,548	4,526	2,752
Marketing and Advertising	-	7,777	598	3,677	2,427	1,211
Meals & Entertainment	1,885	7,262	4,368	2,565	4,455	1,547
Professional Fees	4,075	10,404	4,027	375	3,052	4,542
Administrative & Insurance	15,759	5,857	1,073	6,930	10,445	12,658
Rent/Utilities/Repairs	9,885	11,509	-	24,256	2,507	-
Travel and Automobile Expense	3,247	9,980	6,891	3,538	1,560	383
<i>SGA (% of Revenue)</i>	20%	24%	13%	15%	34%	11%
Implied Royalty Fee (7%)	\$ 34,018	\$ 22,966	\$ 26,647	\$ 19,602	\$ 30,294	\$ 22,797
Implied Brand Fund Fee (1%)	\$ 4,860	\$ 3,281	\$ 3,807	\$ 2,800	\$ 4,328	\$ 3,257
Net Income/Owner Profit	\$ 152,673	\$ 91,649	\$ 71,776	\$ 59,033	\$ 84,301	\$ 103,945
<i>Owner Profit %</i>	31%	28%	19%	21%	19%	32%

Franchisee	L	M	N	O	P	Q
Population Tier (Item 5 table)	Tier 7	Tier 1	Tier 6	Tier 4	Tier 2	Tier 7
Year Opened	2017	2017	2018	2019	2019	2020
Revenue	\$ 271,993	\$ 195,834	\$ 414,366	\$ 220,734	\$ 127,731	\$ 568,269
# of Students billed (not unique students)	3,407	2,706	4,941	3,180	1,389	7,764
Recital Income	73,218	47,999	74,662	48,510	35,666	103,092
Registration	12,626	13,851	25,633	11,252	6,341	43,999
Tuition	186,148	133,365	314,071	156,312	85,524	421,028
Special Events/Other income	-	618	-	4,659	200	150
COGS	\$ 128,228	\$ 73,049	\$ 201,729	\$ 98,201	\$ 55,168	\$ 285,808
Teacher Wages	59,773	46,896	86,223	68,240	22,660	170,660
Class Rent & Supplies	33,047	1,669	58,883	7,608	5,043	62,360
Event Rent & Supplies	-	347	4,778	2,009	-	-
Recital Expenses	35,409	24,137	51,845	20,345	27,465	49,337
Other COGS	-	-	-	-	-	3,450
<i>COGS (% of revenue)</i>	47%	37%	49%	44%	43%	50%
<i>Gross Margin</i>	53%	63%	51%	56%	57%	50%
SG&A	\$ 44,798	\$ 65,959	\$ 98,394	\$ 72,465	\$ 39,487	\$ 131,024
Admin Payroll Expenses	23,781	33,913	62,185	44,171	1,304	68,933
Technology	3,456	10,997	3,188	10,353	3,690	12,768
Marketing and Advertising	2,330	3,672	4,747	4,624	1,152	21,761
Meals & Entertainment	1,774	1,940	5,468	3,104	514	11,491
Professional Fees	1,916	821	2,255	734	6,225	1,161
Administrative & Insurance	7,355	10,418	8,713	4,984	24,086	6,107
Rent/Utilities/Repairs	1,214	1,100	8,913	2,006	184	6,051
Travel and Automobile Expense	2,972	3,097	2,925	2,488	2,331	2,753
<i>SGA (% of Revenue)</i>	16%	34%	24%	33%	31%	23%
Implied Royalty Fee (7%)	\$ 19,040	\$ 13,708	\$ 29,006	\$ 15,451	\$ 8,941	\$ 39,779
Implied Brand Fund Fee (1%)	\$ 2,720	\$ 1,958	\$ 4,144	\$ 2,207	\$ 1,277	\$ 5,683
Net Income/Owner Profit	\$ 77,207	\$ 41,159	\$ 81,093	\$ 32,409	\$ 22,857	\$ 105,976
<i>Owner Profit %</i>	28%	21%	20%	15%	18%	19%
Franchisee	R	S	T	U	V	W
Population Tier (Item 5 table)	Tier 7	Tier 3	Tier 7	Tier 2	Tier 1	Tier 1
Year Opened	2020	2023	2023	2023	2023	2023
Revenue	\$ 563,633	\$ 96,316	\$ 145,615	\$ 153,146	\$ 111,764	\$ 184,613
# of Students billed (not unique students)	6,296	949	1,663	2,055	1,896	2,044
Recital Income	151,499	19,754	29,670	28,606	16,207	30,961
Registration	37,583	-	-	-	-	11,015
Tuition	374,551	70,906	113,103	122,865	94,722	142,237
Special Events/Other income	-	5,657	2,842	1,675	835	400
COGS	\$ 187,139	\$ 37,455	\$ 43,902	\$ 76,050	\$ 46,967	\$ 103,031
Teacher Wages	96,991	23,958	23,645	32,177	25,276	72,127
Class Rent & Supplies	8,574	2,764	4,202	22,002	8,815	20,815
Event Rent & Supplies	-	-	-	-	626	39
Recital Expenses	81,574	10,733	16,055	21,871	12,251	10,050
Other COGS	-	-	-	-	-	-
<i>COGS (% of revenue)</i>	33%	39%	30%	50%	42%	56%
<i>Gross Margin</i>	67%	61%	70%	50%	58%	44%
SG&A	\$ 70,698	\$ 39,413	\$ 79,438	\$ 26,918	\$ 45,186	\$ 18,283
Admin Payroll Expenses	56,350	16,624	47,889	3,314	23,659	936
Technology	4,161	2,427	2,667	5,543	5,173	5,897
Marketing and Advertising	326	-	-	585	5,037	2,819
Meals & Entertainment	248	38	-	9,287	1,513	313
Professional Fees	1,367	3,294	3,570	1,200	950	500
Administrative & Insurance	4,034	16,287	20,970	2,480	5,930	7,099
Rent/Utilities/Repairs	3,173	-	3,413	-	-	1
Travel and Automobile Expense	1,039	744	929	4,509	2,924	718
<i>SGA (% of Revenue)</i>	13%	41%	55%	18%	40%	10%
Implied Royalty Fee (7%)	\$ 39,454	\$ 6,742	\$ 10,193	\$ 10,720	\$ 7,823	\$ 12,923
Implied Brand Fund Fee (1%)	\$ 5,636	\$ 963	\$ 1,456	\$ 1,531	\$ 1,118	\$ 1,846
Net Income/Owner Profit	\$ 260,705	\$ 11,743	\$ 10,626	\$ 37,927	\$ 10,670	\$ 48,530
<i>Owner Profit %</i>	46%	12%	7%	25%	10%	26%

Franchisee	X	Y	Z	AA	BB	CC
Population Tier (Item 5 table)	Tier 4	Tier 1	Tier 1	Tier 7	Tier 6	Tier 1
Year Opened	2023	2023	May 2024	Apr 2024	Jul 2024	Jul 2024
Revenue	\$ 219,449	\$ 67,231	\$ 59,085	\$ 361,537	\$ 53,423	\$ 119,211
# of Students billed (not unique students)	2,474	784	802	4,476	676	1,266
Recital Income	38,047	17,582	3,328	56,626	14,694	20,856
Registration	13,374	3,347	870	20,675	4,517	9,147
Tuition	168,028	44,057	54,887	284,237	34,207	89,207
Special Events/Other income	-	2,245	-	-	5	-
COGS	\$ 72,720	\$ 21,207	\$ 19,365	\$ 140,130	\$ 33,054	\$ 46,826
Teacher Wages	41,179	11,981	16,128	98,343	20,714	30,712
Class Rent & Supplies	10,677	2,915	807	16,394	2,787	5,828
Event Rent & Supplies	-	-	-	222	-	-
Recital Expenses	20,865	6,311	2,430	25,171	9,553	10,285
Other COGS	-	-	-	-	-	-
<i>COGS (% of revenue)</i>	33%	32%	33%	39%	62%	39%
<i>Gross Margin</i>	67%	68%	67%	61%	38%	61%
SG&A	\$ 90,350	\$ 24,513	\$ 27,039	\$ 57,951	\$ 13,584	\$ 22,885
Admin Payroll Expenses	61,849	10,601	5,702	30,482	2,135	5,155
Technology	7,707	4,092	4,520	12,897	4,183	3,596
Marketing and Advertising	473	499	166	494	1,402	129
Meals & Entertainment	1,326	452	710	999	718	380
Professional Fees	6,354	4,188	1,095	5,040	-	622
Administrative & Insurance	7,061	4,525	11,475	5,998	4,465	12,067
Rent/Utilities/Repairs	1,451	-	405	-	-	-
Travel and Automobile Expense	4,128	156	2,968	2,041	681	936
<i>SGA (% of Revenue)</i>	41%	36%	46%	16%	25%	19%
Implied Royalty Fee (7%)	\$ 15,361	\$ 4,706	\$ 4,136	\$ 25,308	\$ 3,740	\$ 8,345
Implied Brand Fund Fee (1%)	\$ 2,194	\$ 672	\$ 591	\$ 3,615	\$ 534	\$ 1,192
Net Income/Owner Profit	\$ 38,822	\$ 16,132	\$ 7,954	\$ 134,534	\$ 2,511	\$ 39,963
<i>Owner Profit %</i>	18%	24%	13%	37%	5%	34%
Franchisee	DD	EE	FF	GG	HH	II
Population Tier (Item 5 table)	Tier 7	Tier 7	Tier 5	Tier 6	Tier 1	Tier 1
Year Opened	Jun 2024	Jul 2024	Sep 2024	Jan 2025	Dec 2024	Jan 2025
Revenue	\$ 299,833	\$ 212,567	\$ 87,570	\$ 97,955	\$ 65,965	\$ 114,023
# of Students billed (not unique students)	3,536	2,626	858	1,263	749	1,125
Recital Income	59,071	63,350	10,599	21,992	15,843	26,480
Registration	8,165	6,951	6,355	10,965	5,575	11,207
Tuition	231,462	142,266	70,617	64,998	44,535	76,186
Special Events/Other income	1,135	-	-	-	12	150
COGS	\$ 131,026	\$ 105,497	\$ 41,430	\$ 37,795	\$ 25,744	\$ 49,085
Teacher Wages	81,966	51,938	27,772	19,487	15,468	29,015
Class Rent & Supplies	20,650	9,378	5,160	4,421	522	5,007
Event Rent & Supplies	817	270	1,948	20	58	-
Recital Expenses	27,144	43,911	6,550	13,867	9,638	15,063
Other COGS	449	-	-	-	59	-
<i>COGS (% of revenue)</i>	44%	50%	47%	39%	39%	43%
<i>Gross Margin</i>	56%	50%	53%	61%	61%	57%
SG&A	\$ 84,634	\$ 50,892	\$ 24,803	\$ 30,392	\$ 22,732	\$ 20,421
Admin Payroll Expenses	57,927	26,335	4,159	2,213	915	1,195
Technology	5,548	7,926	10,013	5,850	4,514	4,418
Marketing and Advertising	6,677	2,316	260	1,224	6,257	1,650
Meals & Entertainment	2,589	3,531	525	224	641	1,466
Professional Fees	5,544	-	-	1,452	889	1,475
Administrative & Insurance	3,245	5,219	8,849	13,242	3,035	7,849
Rent/Utilities/Repairs	522	440	514	1,988	-	-
Travel and Automobile Expense	2,581	5,125	483	4,199	6,481	2,368
<i>SGA (% of Revenue)</i>	28%	24%	28%	31%	34%	18%
Implied Royalty Fee (7%)	\$ 20,988	\$ 14,880	\$ 6,130	\$ 6,857	\$ 4,618	\$ 7,982
Implied Brand Fund Fee (1%)	\$ 2,998	\$ 2,126	\$ 876	\$ 980	\$ 660	\$ 1,140
Net Income/Owner Profit	\$ 60,187	\$ 39,173	\$ 14,332	\$ 21,932	\$ 12,212	\$ 35,395
<i>Owner Profit %</i>	20%	18%	16%	22%	19%	31%

Note: The above Profit and Loss statements represent the performance of thirty-five (35) franchise outlets and do not represent all Tippi Toes locations.

Fifty-three (53) Profit and Loss statements have been excluded due to one or more of the following reasons:

- 1) Five outlets which are company or relative owned.
- 2) Fifteen outlets not in operation all 12 months.
- 3) Two outlets which have changed ownership.
- 4) Thirteen outlets that reported with another outlet due to same ownership.
- 5) Nine outlets with incomplete or unreliable financial reporting.
- 6) Nine outlets not actively operational.

As of the December 31, 2025, there are 88 total outlets.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn this much.

Other than the preceding financial performance representation, Tippi Toes, Inc. 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 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 Sarah Nuse, 3373 Eslin Court, Murfreesboro, Tennessee 37130 at (270) 779-0228, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
System-wide Outlet Summary
For Years 2023 to 2025**

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	2023	33	48	+15
	2024	48	76	+28
	2025	76	84	+8
Company – Owned*	2023	1	1	0
	2024	1	3	+2
	2025	3	4	+1
Total Outlets	2023	34	49	+15
	2024	49	79	+30
	2025	79	88	9