

Provision	Section in Area Development Agreement	Summary
		franchisor) have our principal business address when the arbitration demand is filed (it currently is in Middletown, Rhode Island). The provisions above are subject to state law (except to the extent preempted by federal law).
v. Choice of forum	11	Subject to arbitration requirements, litigation must be (with limited exception) in courts closest to where we (or then-current franchisor) have our principal business address when the action is commenced (it currently is in Middletown, Rhode Island) (subject to applicable state law).
w. Choice of law	11	Federal law and Rhode Island law apply under Area Development Agreement (subject to applicable state law).

Item 18
PUBLIC FIGURES

We do not use any public figure 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.

The following charts provide summarized Profit and Loss historical information for our one location. Our other location operates in the same manner as a standard location with the exception that it is comprised of two small Clubs, one being considered a “Satellite Location”, rather than one club of the same square footage. The two buildings operating together share one operating system, one manager, and are otherwise treated as one Club. However, even as combined, the clubs are smaller than our recommended minimum of 75 full-time enrolled children and thus due to the significant differences from what you would purchase pursuant to the this disclosure document, we have excluded our second location from this Item 19. The Club shown below operates in the same manner you will operate with the following exception it is limited to 66 children.

Club #1 (Gladstone, NJ) 2025 Profit and Loss Statement

Haven Gladstone (NJ) P&L	Fiscal Year	% of	Year-Over-Year
	2025	Gross Revenue	Growth Rate
Gross Revenue	\$1,552,512	100%	18%
Cost of Goods Sold	\$80,368	5%	1%
Gross Profit	\$1,472,144	95%	19%
Gross Profit Margin	95%		
Payroll Expenses (Adjusted)	\$671,563	43%	10%
Occupancy Expenses	\$333,391	21%	2%
Other Operating Expenses	\$76,843	5%	92%
<u>Franchise Fees</u>			
Royalties	\$108,676	7%	18%
Brand Fund Contribution	\$31,050	2%	18%
Total Franchise Fees	\$139,726	9%	18%
EBITDA (Adjusted)	\$250,621	16%	78%
EBITDA Margin % (Adjusted)	16%		
EBITDAR (Adjusted)	\$454,267	29%	32%
EBITDAR Margin % (Adjusted)	29%		
3 Year Compound Annual Growth Rate of Gross Revenue:	24%		

List pricing for 2025 for 5 full days per week was \$2,467 per month from January 1, 2025 through August 31, 2025 and was: i) \$2,553 per month for infants and yearlings; ii) 2,516 per month for toddlers; and iii) \$2,467 per month for preschoolers and prekindergarten, from September through December.

General Comments:

Except that one of the disclosed location operates in two buildings, there are no material financial or operational characteristics of the disclose locations that are materially different from the type of location you would operate. None of these representations have been audited by a third party.

Several adjustments were made to these representations as described in this paragraph. This location did not pay any Royalties or Brand Fund contributions. The amounts shown above reflect what this location would have paid had they been franchised locations. This locations operated with a general manager, but the representation above presumes that you will be an owner operator. As such \$89,595 was removed to reflect an owner operator model. If you intend to hire a general manager, you should take this into account. Also removed from these figures were health, dental, 401(k) matching, and vision insurance benefits that were provided to employees.

Definitions:

“3 Year Compound Annual Growth Rate of Gross Revenue” means the calculated compound growth rate percentage from 2022 through 2025. Also note, in 2022 the total number of children at capacity was limited to 50.

“Gross Revenue” means the aggregate amount of all revenue and other consideration received by the Club from any source, including from selling membership tuition (both pre- and post-opening), application fees, meals sold, service fees, classes, program offerings, other services, products, and merchandise; other types of revenue you receive, including the proceeds of business interruption insurance; and (if we allow barter) the value of services, products, and merchandise bartered in exchange for the Club’s memberships, services, products, or merchandise.

“Cost of Goods Sold” means the actual variable expenses, other than Royalties and Brand Fund Fees required in the generation of revenue, such as childcare supplies, child enrichment activities, co-working supplies & consumables, cost of providing member classes and program offerings, costs of meals for children, and small equipment/room furnishings. This definition excludes expenses that were capitalized and depreciated over its useful life.

“Gross Profit” means Gross Revenue, less all variable expenses such as Costs of Goods Sold, Royalties, and Brand Fund Fees.

“Gross Profit Margin” is equal to Gross Profit divided by Gross Revenue displayed as a percentage.

“Payroll Expenses (Adjusted)” means all payroll expenses incurred in operating the business as an owner-operator model including wages, payroll taxes, worker’s compensation insurance, and payroll processing fees. The figures above do not reflect the inclusion of a general manager which you may have if you do not intend to work in the business. These expenses were adjusted to remove certain benefits you are not required to offer including 401(k), dental, vision, health, director bonuses and a director’s salary.

“Occupancy Expenses” mean all expenses related to leasing the premises. These include rent, common area charges, daily cleaning services, normal repairs, maintenance, all utilities, property taxes and insurance.

“Other Operating Expenses” means all other expenses incurred in operating the business not included above. These amounts include Royalty and Brand Fund Fees.

“EBITDA (Adjusted)” means earnings before interest, taxes, depreciation and amortization.

“EBITDAR” means EBITDA (Adjusted) less rent.

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

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

Other than the preceding financial performance representation, Haven Franchising, LLC 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 Brittany Riley, Chief Executive Officer, 82 Valley Road, Middletown, Rhode Island 02842, (401) 239-9549, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20 **OUTLETS AND FRANCHISEE INFORMATION**

All figures in the tables below are as of December 31 of each year. The “Company- Owned” outlets are owned and operated by one or more of our affiliates.

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	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company-Owned	2023	2	2	0
	2024	2	2	0
	2025	2	2	0
Total Outlets	2023	2	2	0
	2024	2	2	0
	2025	2	2	0