

Provision	Section in Development Agreement	Summary
		fitness, recreational gymnastic, motor skills development and other programs for children.
r. Non-competition covenants after the franchise is terminated or expires	Section 6.3.	For a two (2) year period following termination or expiration of the franchise, neither you nor any owner may be involved in any Competitive Business located (1) within the Development Area (other than the Franchised Businesses already open pursuant to the Development Schedule), or (2) within a 25-mile radius of any other The Little Gym business.
s. Modification of the agreement	Section 13.1.	The Franchise Agreement may be modified only by a written document signed by both parties.
t. Integration/merger clause	Section 13.1.	The Development Agreement and its Attachments constitute the full and final agreement (subject to state law). Any other promises or statements may not be enforceable. No claim made in the Development Agreement is intended to disclaim the express representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Sections 11.2. and 11.3.	Except for certain claims, we and you must first mediate, and if unsuccessful, arbitrate all disputes within a five (5) mile radius of Franchisor's principal headquarters at the time arbitration is initiated (subject to state law).
v. Choice of forum	Section 11.4.	Litigation must be instituted and maintained in the state or federal courts serving the district in which we maintain our principal headquarters at the time litigation is initiated (currently Tarrant County, Texas) (subject to governing state law).
w. Choice of law	Section 11.1.	Texas law applies (subject to governing 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 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 location or under particular circumstances.

[Item 19 continues on the next page.]

Table 1 – All Franchised Units Reporting for the Fiscal Year 2025^{1,2}

Column ³	1	2	3	4	5	6	7	8	9	10
Top Quartile	Gross Sales⁴	# of Gyms	Cost of Goods Sold⁵	Occupancy⁶	Advertising⁷	Payroll⁸	Insurance⁹	Other Costs¹⁰	EBITDA¹¹	EBITDA %¹²
High	1,900,457	41	\$52,574	\$185,097	\$73,761	\$500,276	\$7,611	\$249,116	\$832,022	43.8%
Low	\$842,268		\$30,285	\$159,426	\$58,761	\$238,188	\$7,705	\$84,317	\$263,586	31.3%
Avg.	\$1,043,656		\$31,049	\$157,219	\$46,028	\$309,372	\$12,302	\$115,670	\$372,316	35.0%
Median	\$980,161		\$28,690	\$151,670	\$43,555	\$279,919	\$10,036	\$105,067	\$345,956	33.6%
No. Units Above Avg.	15		17	18	17	16	13	14	15	17

2nd Quartile	2nd Quartile Range Revenue	# of Gyms	2nd Quartile Range Cost of Goods Sold	2nd Quartile Range Occupancy	2nd Quartile Range Advertising	2nd Quartile Range Payroll	2nd Quartile Range Insurance	2nd Quartile Range Other Costs	2nd Quartile Range EBITDA \$	2nd Quartile Range EBITDA %
High	\$841,139	41	\$25,590	\$198,087	\$33,348	\$233,522	\$5,683	\$77,924	\$266,985	31.7%
Low	\$633,836		\$17,321	\$247,214	\$37,136	\$148,665	\$7,540	\$59,634	\$116,326	18.4%
Avg.	\$749,539		\$21,861	\$139,076	\$31,709	\$243,897	\$10,294	\$86,353	\$217,415	28.7%
Median	\$758,371		\$20,665	\$130,589	\$28,738	\$244,276	\$7,886	\$84,145	\$233,537	30.7%
No Above Avg.	21		18	17	20	21	12	20	24	24

3rd Quartile	3rd Quartile Range Revenue	# of Gyms	3rd Quartile Range Cost of Goods Sold	3rd Quartile Range Occupancy	3rd Quartile Range Advertising	3rd Quartile Range Payroll	3rd Quartile Range Insurance	3rd Quartile Range Other Costs	3rd Quartile Range EBITDA \$	3rd Quartile Range EBITDA %
High	\$633,126	42	\$8,889	\$131,136	\$35,659	\$251,078	\$5,169	\$62,933	\$138,262	21.8%
Low	\$425,176		\$2,074	\$115,899	\$23,561	\$160,064	\$8,095	\$224,983	\$(109,500)	-25.8%
Avg.	\$530,861		\$13,963	\$120,868	\$25,602	\$185,723	\$8,066	\$71,627	\$105,011	19.1%
Median	\$525,883		\$14,339	\$124,808	\$23,803	\$183,806	\$6,761	\$66,715	\$117,059	21.9%
No Above Avg.	16		16	16	16	15	16	15	16	18

4th Quartile	4th Quartile Range Revenue	# of Gyms	4th Quartile Range Cost of Goods Sold	4th Quartile Range Occupancy	4th Quartile Range Advertising	4th Quartile Range Payroll	4th Quartile Range Insurance	4th Quartile Range Other Costs	4th Quartile Range EBITDA \$\$	4th Quartile Range EBITDA %
High	\$418,724	42	\$5,437	\$93,840	\$4,082	\$162,607	\$2,963	\$65,477	\$84,319	20.1%
Low	\$99,608		\$12,877	\$104,650	\$30,450	\$75,484	\$4,303	\$34,953	\$(163,110)	-163.8%
Avg.	\$321,067		\$16,828	\$112,279	\$18,931	\$134,073	\$7,507	\$42,683	\$(10,654)	-8.8%
Median	\$334,756		\$12,150	\$110,927	\$16,052	\$137,468	\$6,734	\$40,487	\$(3,411)	-1.2%
No Above Avg.	24		6	20	16	25	16	19	25	29

Table 2 – Subset of Non-Private-Equity-Backed Units Reporting for the Fiscal Year 2025

Column ³	1	2	3	4	5	6	7	8	9	10
Top Quartile	Gross Sales⁴	# of Gyms	Cost of Goods Sold⁵	Occupancy⁶	Advertising⁷	Payroll⁸	Insurance⁹	Other Costs¹⁰	EBITDA¹¹	EBITDA %¹²
High	1,900,457	36	\$52,574	\$185,097	\$62,431	\$500,276	\$7,611	\$249,116	\$832,022	43.8%
Low	\$826,495		\$41,598	\$114,437	\$11,608	\$259,025	\$4,766	\$161,522	\$233,537	28.3%
Avg.	\$1,038,088		\$28,763	\$158,352	\$42,034	\$312,541	\$13,019	\$122,210	\$356,346	33.8%
Median	\$980,498		\$27,727	\$153,118	\$36,593	\$275,750	\$10,573	\$111,043	\$317,908	32.3%
No. Units Above Avg.	14		16	16	15	14	12	15	15	16

2nd Quartile	2nd Quartile Range Revenue	# of Gyms	2nd Quartile Range Cost of Goods Sold	2nd Quartile Range Occupancy	2nd Quartile Range Advertising	2nd Quartile Range Payroll	2nd Quartile Range Insurance	2nd Quartile Range Other Costs	2nd Quartile Range EBITDA \$\$	2nd Quartile Range EBITDA %
High	\$818,049	36	\$24,861	\$125,903	\$9,800	\$251,945	\$21,775	\$25,311	\$358,455	43.8%
Low	\$605,028		\$13,421	\$101,348	\$28,510	\$182,303	\$5,899	\$100,371	\$173,176	28.6%
Avg.	\$710,336		\$18,328	\$142,945	\$25,258	\$236,779	\$10,953	\$85,725	\$204,542	28.5%
Median	\$724,239		\$17,368	\$133,411	\$23,843	\$236,200	\$8,121	\$87,098	\$205,945	28.2%
No Above Avg.	20		15	16	15	18	12	18	18	18

3rd Quartile	3rd Quartile Range Revenue	# of Gyms	3rd Quartile Range Cost of Goods Sold	3rd Quartile Range Occupancy	3rd Quartile Range Advertising	3rd Quartile Range Payroll	3rd Quartile Range Insurance	3rd Quartile Range Other Costs	3rd Quartile Range EBITDA \$\$	3rd Quartile Range EBITDA %
High	\$598,512	37	\$18,989	\$153,072	\$19,778	\$187,236	\$5,894	\$69,140	\$144,403	24.1%
Low	\$398,800		\$13,479	\$133,348	\$33,018	\$161,544	\$6,643	\$44,144	\$6,623	1.7%
Avg.	\$493,695		\$13,501	\$121,284	\$23,565	\$178,795	\$7,949	\$69,068	\$87,306	17.4%
Median	\$491,078		\$14,036	\$125,835	\$22,929	\$178,704	\$6,712	\$65,418	\$96,566	17.5%
No Above Avg.	17		19	21	16	18	11	15	20	19

4th Quartile	4th Quartile Range Revenue	# of Gyms	4th Quartile Range Cost of Goods Sold	4th Quartile Range Occupancy	4th Quartile Range Advertising	4th Quartile Range Payroll	4th Quartile Range Insurance	4th Quartile Range Other Costs	4th Quartile Range EBITDA \$\$	4th Quartile Range EBITDA %
High	\$391,134	37	\$7,958	\$91,093	\$11,013	\$141,729	\$9,968	\$36,623	\$92,750	23.7%
Low	\$99,608		\$3,750	\$104,650	\$30,450	\$75,484	\$4,303	\$34,953	\$(163,110)	-163.8%
Avg.	\$310,507		\$10,677	\$112,085	\$18,375	\$128,758	\$7,737	\$41,801	\$(8,097)	-8.6%
Median	\$326,189		\$10,623	\$109,769	\$16,572	\$135,483	\$7,107	\$37,186	\$(4,480)	-1.4%
No Above Avg.	23		18	18	16	23	15	16	19	25

Table 3 – Subset of Private-Equity-Backed Units Reporting for the Fiscal Year 2025

Column ³	1	2	3	4	5	6	7	8	9	10
Top Quartile	Gross Sales ⁴	# of Gyms	Cost of Goods Sold ⁵	Occupancy ⁶	Advertising ⁷	Payroll ⁸	Insurance ⁹	Other Costs ¹⁰	EBITDA ¹¹	EBITDA % ¹²
High	\$1,017,778	5	\$26,782	\$127,597	\$60,565	\$263,830	\$6,248	\$89,274	\$443,481	43.6%
Low	\$928,333		\$26,063	\$126,022	\$52,059	\$279,919	\$6,402	\$84,483	\$353,383	38.1%
Avg.	\$973,509		\$29,438	\$118,717	\$54,049	\$280,034	\$6,279	\$88,139	\$396,853	40.7%
Median	\$970,652		\$27,318	\$126,022	\$52,059	\$279,919	\$6,248	\$89,030	\$396,585	40.5%
No. Units Above Avg.	2		1	3	2	2	1	3	2	2

2nd Quartile	2nd Quartile Range Revenue	# of Gyms	2nd Quartile Range Cost of Goods Sold	2nd Quartile Range Occupancy	2nd Quartile Range Advertising	2nd Quartile Range Payroll	2nd Quartile Range Insurance	2nd Quartile Range Other Costs	2nd Quartile Range EBITDA \$\$	2nd Quartile Range EBITDA %
High	\$914,695	5	\$34,347	\$165,620	\$60,987	\$262,144	\$7,866	\$87,419	\$296,311	32.4%
Low	\$838,935		\$26,255	\$162,651	\$60,475	\$262,712	\$6,586	\$76,071	\$244,186	29.1%
Avg.	\$860,635		\$34,150	\$149,544	\$58,432	\$250,353	\$7,523	\$85,280	\$275,352	32.0%
Median	\$842,268		\$34,347	\$159,426	\$58,761	\$247,850	\$7,724	\$87,419	\$280,669	32.4%
No Above Avg.	2		3	3	3	2	4	3	3	3

3rd Quartile	3rd Quartile Range Revenue	# of Gyms	3rd Quartile Range Cost of Goods Sold	3rd Quartile Range Occupancy	3rd Quartile Range Advertising	3rd Quartile Range Payroll	3rd Quartile Range Insurance	3rd Quartile Range Other Costs	3rd Quartile Range EBITDA \$\$	3rd Quartile Range EBITDA %
High	\$819,966	5	\$26,658	\$122,001	\$68,508	\$319,726	\$5,775	\$98,316	\$178,982	21.8%
Low	\$737,855		\$20,306	\$110,079	\$42,551	\$211,748	\$6,248	\$68,258	\$278,664	37.8%
Avg.	\$767,482		\$23,628	\$118,229	\$53,800	\$248,583	\$7,166	\$77,555	\$238,521	31.3%
Median	\$764,689		\$24,049	\$122,001	\$51,760	\$239,792	\$6,960	\$72,827	\$244,636	32.7%
No Above Avg.	1		3	3	2	1	1	1	3	3

4th Quartile	4th Quartile Range Revenue	# of Gyms	4th Quartile Range Cost of Goods Sold	4th Quartile Range Occupancy	4th Quartile Range Advertising	4th Quartile Range Payroll	4th Quartile Range Insurance	4th Quartile Range Other Costs	4th Quartile Range EBITDA \$\$	4th Quartile Range EBITDA %
High	\$633,041	5	\$17,146	\$124,375	\$44,626	\$220,188	\$6,299	\$60,288	\$160,119	25.3%
Low	\$312,424		\$14,672	\$115,992	\$37,403	\$145,480	\$6,734	\$32,791	\$(40,649)	-13.0%
Avg.	\$497,426		\$16,060	\$105,292	\$41,969	\$186,090	\$6,639	\$48,255	\$93,120	14.7%
Median	\$527,684		\$15,125	\$104,088	\$41,140	\$191,784	\$6,734	\$50,334	\$142,025	25.3%
No Above Avg.	3		2	2	2	3	3	3	3	3

Notes:

Note 1. Table 1 shows historic unaudited annual gross revenues as reported to us by our U.S. franchisees for the year ended December 31, 2025 (“Fiscal Year 2025”). As of the end of Fiscal Year 2025, there were 255 U.S. franchised units open and operating.

Note 2. The 166 outlets included in Table 1 are those that were open at least a full year. Of the 89 excluded outlets, 39 were not open and operating the entire Fiscal Year 2025, and 50 units reported incomplete data, which included closures. Table 2 reflects a subset of all reporting units that were not private equity backed, meaning franchisees that were not associated with obtaining financing from a private equity fund. Table 3 reflects a subset of all reporting units that were private equity backed, meaning they received financial funding from a private equity fund.

Note 3. Column 1 represents Gross Sales and does not reflect the cost of sales, operating expenses, rent/real estate or other costs or expenses that must be deducted from the Gross Sales figures to obtain your net income or profit. Column 2 reflects the number of Gyms in each quartile. Columns 3 to 10 contain data for certain expenses related to the operation of franchised Gyms, which is self-reported data from the franchisees of these Gyms. In Columns 3 to 10, the “High” and “Low” rows show the expense data that correspond to the same individual Gym reflected in Column 1 — that is, the gym within the respective quartile with the highest or lowest reported Gross Sales. In Columns 3 to 10, the “Average” and “Median” rows show the average or median values, respectively, across all Gyms within the applicable quartile of that reported data.

Note 4. “Gross Sales,” as used in this Item 19 (and Item 6) means the dollar aggregate of: (1) the sales price of all products, services, membership fees, merchandise and other items sold, and the charges for all services you perform, whether made for cash, on credit or otherwise, without reserve or deduction for inability or failure to collect, including sales and services (A) originating at the Franchised Business premises even if delivery or performance is made offsite from the Franchised Business premises, (B) placed by mail, facsimile, telephone, the internet and similar means if received or filled at or from the Franchised Business premises, and (C) that you in the normal and customary course of your operations would credit or attribute to the operation of the Franchised Business; and (2) all monies, trade value or other things of value that you receive from Franchised Business operations at, in, or from the Franchised Business premises that are not expressly excluded from Gross Sales, including but not limited to the redemption of approved gift cards/certificates, stored value cards, and loyalty program benefits (the initial sales or reloading of gift cards shall not be included in the calculation of Gross Sales) pursuant to the Customer Card Programs. Gross Sales does not include: (1) the exchange of merchandise between Franchised Businesses (if you operate multiple franchises) if the exchanges are made solely for the convenient operation of your business and not for the purpose of depriving us of the benefit of a sale that otherwise would have been made at, in, on or from the Franchised Business premises; (2) returns to shippers, vendors, or manufacturers; (3) sales of fixtures or furniture after being used in the conduct of the Franchised Business; (4) the sale of gift certificates and stored value cards (the redemption value minus administrative fees will be included in Gross Sales at the time of redemption); (5) insurance proceeds; (6) sales to employees at a discount (provided such discounts will not exceed 1.5% of Gross Sales during any reporting period); (7) cash or credit refunds for transactions included within Gross Sales (limited, however, to the selling price of merchandise returned by the purchaser and accepted by you); (8) the amount of any city, county, state or federal sales, luxury or excise tax on such sales that is both (A) added to the selling price or absorbed therein and (B) paid to the taxing authority; (9) tips and gratuities; (10) Gross Sales earned through an Affiliated Brand franchise operated at the Franchised Business premises, so long as such Gross Sales constitute gross sales (or equivalent) subject to a royalty fee and other fees under such Affiliated Brand’s franchise agreement; and (11) rent or other consideration paid by an Affiliated Brand franchise for occupying the Franchised Business’ premises. A purchase returned to the Franchised Business may not be deducted from Gross Sales unless the purchase was previously included in Gross Sales.

Note 5. “Costs of Goods Sold” includes the total cost of all food, beverages, merchandise, and other costs related to products and services sold by the Gyms, including distribution and delivery costs.

Note 6. “Occupancy” includes rent (including both minimum rents and percentage rents), utilities (e.g., electricity, gas, water, cable, internet, telephone), and any sales or other taxes imposed thereon and any pass-through expenses from the landlord. Taxes refer to real estate taxes and assessments levied against the property upon which the Gym is located. Sales and use taxes are excluded from occupancy costs. The amount or rate of taxation for all such taxes varies from jurisdiction to jurisdiction. You should consult with your tax advisors regarding the impact such taxes will have on this analysis. Common area expenses reflect charges for maintenance of parking lots and common use areas, landscaping design and maintenance, weather-related maintenance (e.g., removal of debris and snow), security staff, taxes and insurance for common areas and such other charges customarily paid by tenants for services typically provided by landlords. Common area expenses may vary depending upon the geographic area and individual Gym.

Note 7. “Advertising” includes advertising, promotional and marketing expenses for the Gyms in the Protected Area to satisfy the Local Marketing Expenditure requirement. See Item 6 for minimum Local Marketing Expenditure requirement.

Note 8. “Payroll” includes personnel wages, management salaries, benefits and payroll taxes but excludes bonuses, paid time off, severance payments and fringe benefits. In addition, payroll excludes the cost of training any hourly or management personnel and any disbursements made to the owners of the Franchisees. The costs of providing medical and dental insurance for employees will vary depending on many factors, including the extent and amount of coverage provided and the loss experience of the group in addition to the size of your staff.

Note 9. “Insurance” includes information related to commercial general liability insurance only. See Item 8. Insurance expenses related to other insurance coverages that we require is excluded because the costs associated with such coverage varies significantly depending upon the size of the geographic area in which your Gym is located, the square footage of your Gym, specific lender and landlord insurance requirements, whether alcoholic beverages are offered at the Gym, the availability of insurance carriers in the area where your Gym is located, and the jurisdiction in which the Gym is located. Your costs will vary if you elect to purchase additional insurance coverage and depending on numerous factors, including the carrier you select, the jurisdiction in which you operate your Gym, your loss experience and financial creditworthiness.

Note 10. “Other Costs” includes royalty fees, office expenses (e.g., office and cleaning supplies), and processing fees (e.g., payroll, point of sale and payment processing and other bank charges).

Note 11. “EBITDA” means the earnings before interest, taxes, depreciation, and amortization. As is customary, it excludes expenses related to debt services costs, whether principal or interest.

Note 12. “EBITDA %” means EBITDA as a percentage of Gross Sales.

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

Written substantiation for these financial performance representations will be made available to you upon reasonable request.

Other than the preceding financial performance representation, 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 Joshua Wall, 2350 Airport Freeway, Suite 505, Bedford, Texas, 76022, 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

Outlet Type	Year	Outlets Operating at the Start of the Year	Outlets Operating at the End of the Year	Net Change
Franchised	2023	173	185	+12
	2024	185	218	+33
	2025	218	255	+37
Company-Owned	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
Total Outlets	2023	174	186	+12
	2024	186	219	+33
	2025	219	256	+37

Table No. 2
Transfers of Outlets from Franchisee to New Owners (other than the Franchisor)
For Years 2023 to 2025

State	Year	Number of Transfers
Arizona	2023	1
	2024	0
	2025	0
Colorado	2023	0
	2024	1
	2025	0
Georgia	2023	1
	2024	1
	2025	0
Maryland	2023	2
	2024	1
	2025	0
New Jersey	2023	0
	2024	2
	2025	0
New Mexico	2023	0
	2024	1
	2025	0