

Provisions	Section in Franchise Agreement	Summary
w. Choice of law	16.10	Subject to applicable state law, the Franchise Agreement is to be interpreted and construed under Texas law (without giving effect to any conflict of laws) except that any law regulating the offer or sale of franchises, business opportunities, or similar interests or governing the relationship between us and you will not apply unless its jurisdictional requirements are met independently.

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 Statement. 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 information listed below is a historic representation based on information reported to us by our franchisees for our fiscal year ending December 31, 2023 (“2023 Revenue”). The reported figures have not been audited by us or by an independent auditor. Written substantiation for the financial performance representation will be made available to you upon written reasonable request.

These financial performance representations do not reflect the costs of sales, operating expenses, your required royalty payments and Advertising Fund contributions, or other costs or expenses that must be deducted from Gross Revenue to obtain your net income or profit. The characteristics of the Schools included in this representation do not differ materially from the School that you will operate.

You should conduct an independent investigation of the costs and expenses you will incur in operating your Schools. Franchisees or former franchisees listed in the disclosure document may be one source of information.

2023 Average Gross Revenue

Below are average, annual Gross Revenue amounts for the 67 franchised Childrens Lighthouse Schools that were open and operating on December 31, 2023 and which had been operating for at least 18 months as of December 31, 2023 (“2023 Reporting Schools”). The 2 Schools that were not open and operating at least 18 months as of December 31, 2023 are not included in the Reporting Schools.

2023 Average Gross Revenue: \$1,941,556

Of the 2023 Reporting Schools, 31 Schools, or 46%, attained or surpassed the average Gross Revenue. The median Gross Revenue for the 2023 Reporting Schools was \$1,906,407 with \$3,576,879 being the highest Gross Revenue and \$757,905 being the lowest.

“Gross Revenue” means all revenue and/or income generated from the provision of any and all services, the sale of any and all products, and the performance of any and all other activities connected to or arising from the Franchised Business and/or your School, whether occurring during normal business hours or not, whether for cash, credit, or the fair market value of property or services received or to be received through barter, and regardless of collection in the case of credit, unpaid accounts receivables, or insufficient funds, whether such revenue and/or income is generated in compliance with or in violation of the terms of this Agreement. However, Gross Revenue does not include any revenue taxes or other taxes collected from customers by you for transmittal to an appropriate taxing authority.

2023 Actual Gross Revenue:

Below are actual gross revenue amounts for the 2023 Reporting Schools, ranked from top performer to bottom performer.

Top Third Performers		Middle Third Performers		Bottom Third Performers	
2023 Reporting School	2023 Gross Revenue	2023 Reporting School	2023 Gross Revenue	2023 Reporting School	2023 Gross Revenue
1	\$3,576,879	24	\$2,127,950	46	\$1,648,866
2	\$3,468,672	25	\$2,069,433	47	\$1,645,787
3	\$3,005,980	26	\$2,063,047	48	\$1,644,028
4	\$2,804,778	27	\$2,027,965	49	\$1,598,841
5	\$2,759,954	28	\$2,024,695	50	\$1,588,233
6	\$2,741,024	29	\$1,990,009	51	\$1,551,012
7	\$2,704,225	30	\$1,986,286	52	\$1,542,402
8	\$2,513,087	31	\$1,979,236	53	\$1,541,993
9	\$2,507,064	32	\$1,921,213	54	\$1,526,760
10	\$2,457,768	33	\$1,916,804	55	\$1,509,332
11	\$2,378,132	34	\$1,896,011	56	\$1,485,094
12	\$2,377,642	35	\$1,875,211	57	\$1,462,703
13	\$2,341,638	36	\$1,871,210	58	\$1,457,322
14	\$2,324,713	37	\$1,868,123	59	\$1,399,887
15	\$2,324,278	38	\$1,798,000	60	\$1,353,420
16	\$2,322,398	39	\$1,741,329	61	\$1,340,602
17	\$2,301,491	40	\$1,714,336	62	\$1,335,349
18	\$2,287,055	41	\$1,699,276	63	\$1,216,040
19	\$2,252,474	42	\$1,694,039	64	\$998,578
20	\$2,240,166	43	\$1,673,076	65	\$982,656
21	\$2,213,317	44	\$1,672,074	66	\$935,688
22	\$2,211,286	45	\$1,662,236	67	\$757,905

Top Third Performers		Middle Third Performers		Bottom Third Performers	
2023 Reporting School	2023 Gross Revenue	2023 Reporting School	2023 Gross Revenue	2023 Reporting School	2023 Gross Revenue
23	\$2,176,170				

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

Other than the preceding financial information, Childrens Lighthouse Franchise Company, does not make any representations about a franchisee's future financial performance or the past financial performance of any franchised Schools. 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 future income, you should report it to the franchisor's management by contacting Stephen Dixon, Chief Development Officer, Childrens Lighthouse Franchise Company, 101 South Jennings Avenue, Suite 306, Fort Worth, Texas 76104, 817-338-4422, and 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 2021 to 2023⁽¹⁾

Outlet Type	Year	Outlets at Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	58	64	+6
	2022	64	67	+3
	2023	67	69	+2
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	58	64	+6
	2022	64	67	+3
	2023	67	69	+2

Note (1): Our fiscal year end is December 31.

Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other Than Franchisor)
For Years 2021 to 2023⁽¹⁾

State	Year	Number of Transfers
Alabama	2021	0
	2022	1
	2023	0