

Provision	Section In the Franchise or Other Agreement	Summary
		expiration of the Franchise Agreement. The parties shall not be required to first attempt to mediate a controversy, dispute, or claim through mediation if such controversy, dispute, or claim relates to an allegation that a party has violated (or threatens to violate, or poses an imminent risk of violating): (i) any federally protected intellectual property rights in the Marks, the System, or in any Confidential Information; (ii) any claims pertaining to or arising out of any warranty issue; or (iii) any of the restrictive covenants contained in the Franchise Agreement (subject to applicable state law).
v. Choice of forum	Section 19.4	Subject to applicable state law, any litigation must be pursued in courts located in Broward County, Florida. (Subject to applicable state law).
w. Choice of law	Section 19.3	Subject to applicable state law, Florida law applies, except that disputes over the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.).

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.

We designate each Franchise as a separate “territory.” In some cases, a single franchisee may operate several Franchises and provide operating results on a combined basis. We have noted any combined results in the notes to Table 1.

As of December 31, 2023, we had 125 franchised territories and nine affiliate-owned territories operated by four affiliate-owned businesses (“Affiliate Locations”) in operation. We include information from 36 territories operated by sixteen franchisees that were open and operating for all twelve months of 2022 (“Franchised Locations”) and information from the two Affiliate Locations that were open and operating for all twelve months of 2023, including one territory operated by our KKI Affiliate (“Affiliate Location #1”) and three territories operated by our TK Affiliate (“Affiliate Location #2”) (together, the



“Reporting Affiliate Locations”). Two territories opened by another affiliate opened in 2023 and have been excluded because they did not operate for all twelve months of 2023. The tables below provide information on two Affiliates Locations and sixteen reporting Franchised Locations (“Reporting Group”) for calendar year 2023. For the three Franchise Locations in the Reporting Group that have operated for at least 24 months as of December 31, 2023 (“Mature Franchised Locations”), we also include data regarding the costs of goods sold and operating expenses incurred by these Mature Franchise Locations. We exclude the data of the 89 franchised territories that did not operate for all twelve months of 2023. The Affiliate Locations do not pay Royalty Fees, Brand Development Fund Contributions, or technology fees and are not subject to a Local Marketing Requirement, all of which a franchised Kidokinetics Businesses will have to pay. The Kidokinetics Businesses included in this financial performance representation offer similar services and faces a similar degree of competition anticipated for the Kidokinetics Businesses offered under this Franchise Disclosure Document.

Table 1

The information in Table 1 below is a historical financial performance representation for the Franchised Locations based on the number of territories operated by each Reporting Franchised Location and the same for the Reporting Affiliate Locations. Table 1 includes average Gross Sales for: (i) the Franchised Locations in the Reporting Group that operated one Kidokinetics Business in 2023 calendar year (the “Single Territory Franchised Locations”) and the Gross Sales for the Reporting Affiliate Locations; (ii) average Gross Sales for the Franchised Locations in the Reporting Group that operated two Kidokinetics Businesses in 2023 calendar year (the “Two Territory Franchised Locations”) and (iii) average Gross Sales for the Franchised Locations in the Reporting Group that operated three Kidokinetics Businesses in 2023 calendar year (the “Three Territory Franchised Locations”).

Table 1a
Average Gross Sales for the Franchised Locations in the Reporting Group
During the 2023 Calendar Year

Franchised Location Type	Average	Median	High	Low	Number Exceeding Average	Percent Exceeding Average
Single Territory	\$67,672	\$53,071	\$132,772	\$31,773	1 of 4	25%
Two Territory	\$57,987	\$51,711	\$143,181	\$16,448	2 of 9	22%
Three Territory	\$325,027	\$247,689	\$722,356	\$5,037	1 of 3	33%

Table 1b
Gross Sales for the Affiliate Locations in the Reporting Group
During the 2023 Calendar Year

Affiliate Location	Gross Sales
Affiliate Location #1 (Undefined Area - Equivalent of Six Territories)	\$408,814
Affiliate Location #2 (Three Territories)	\$90,884



Notes to Table 1:

1. The multiple territory data is presented on a combined basis for the number of territories operated by each franchisee. The data is disclosed on a per franchisee/affiliate basis and not on a per territory basis.
2. Affiliate Location #1 operates in one large territory in Florida and has done so since October 2000. Affiliate Location #2 operates three territories in Florida and has done so since November 2021.
3. With the exception of three Mature Reporting Outlets, all Franchised Locations in the Reporting Group were in their first full year of operation. For those new Franchised Locations that operate multiple Kidokinetics Businesses, many Franchised Locations operated primarily or exclusively in one of the territories of their Kidokinetics Businesses. One of the Three Territory Franchised Locations and all nine of the Two Territory Franchised Locations are in their first year of operation.
4. “Gross Sales” means the revenues you receive from the sales of all goods, services and products sold at, from, or through the Kidokinetics Business or made pursuant to the rights granted hereunder, and all other income of every kind and nature related to the Kidokinetics Business, whether from cash, or credit, or otherwise, and regardless of collection in the case of credit, including the full redemption value of any gift card, gift certificate or coupon sold for use in the Kidokinetics Business (fees retained by or paid to third-party sellers of such gift cards, gift certificates or coupons are not excluded from this calculation), and all proceeds from any business interruption insurance. It does not include (i) any sales tax or other taxes collected from customers for, and turned over to, the governmental authority imposing the tax, (ii) properly documented refunds to customers, or (iii) properly documented employee discounts (limited to 3% of Gross Sales). Gross Sales include sales of gift cards and gift certificates at the time the franchisee receives the funds from the purchase of such gift cards and gift certificates.
5. The financial figures in Table 1 do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

Table 2

The three Mature Franchised Locations in the Reporting Group provided expenses and cost data for the 2023 Reporting Period. The information in Tables 2A through 2C contains financial information from one franchisee that operates three territories in Dallas, Texas (“Dallas Location”), one franchisee that operates three territories in Texas (“NW Broward Location”) and one franchisee that operates in one territory in Cary, North Carolina (“North Carolina Location”). Table 2A contains the financial information of the Dallas Location during the 2023 Reporting Period. Table 2B contains the financial information of the North Carolina Location during the 2023 Reporting Period. Table 2C contains the financial information of the NW Broward Location during the 2023 Reporting Period. The Dallas Location has been in operation since February 2008 and operates in three territories. The Dallas Location began operations in two of its territories in February 2008 and operations in its third territory in June 2012. The North Carolina Location began operations in February 2011 and operates in one territory. The



NW Broward Location began operations in its first territory in January 2014 and in its second and third territories in October 2020.

Table 2A Financial Information for the Dallas Location During the 2023 Reporting Period		
Category	Total	% of Gross Sales
Gross Sales ⁽¹⁾	\$722,755	100%
Disclosed Operating Expenses (Actual) ⁽²⁾		
Advertising and Promotion	\$11,644	1.6%
Bank Service Charges	\$1,979	0.3%
Business Gifts	\$1,993	0.3%
Business Meetings	\$8,430	1.2%
Coach Supplies	\$5,243	0.7%
Computer and Internet Expenses	\$2,587	0.4%
Contract Labor	\$143,598	19.9%
Credit Card Processing Fees	\$327	0.0%
Donations	\$1,768	0.2%
Dues and Subscriptions	\$2,898	0.4%
Employee Background Services	\$1,115	0.2%
Equipment Storage Rental	\$2,279	0.3%
Facilities Rental	\$4,908	0.7%
Franchise Fees	\$48,432	6.7%
General Liability Insurance	\$4,306	0.6%
Meals and Entertainment	\$507	0.1%
Office Supplies	\$1,287	0.2%
Taxes	\$11,204	1.6%
Wages	\$132,557	18.3%
Postage and Delivery	\$119	0.0%
Printing and Reproduction	\$218	0.0%
Professional Fees	\$500	0.1%
QuickBooks Payments Fees	\$7,679	1.1%
Refund	\$125	0.0%
Summer Camp Counselor Gratuities	\$1,700	0.2%
Summer Camp Materials	\$1,632	0.2%
Tax Preparation	\$1,000	0.1%
Taxi and Uber	\$32	0.0%
Telephone Expense	\$60	0.0%
Tolls and Parking	\$1,650	0.2%
Training and Development	\$563	0.1%



Travel Expense	\$3,888	0.5%
Franchise-Related Expenses		
Royalties	\$57,820	8.0%
Brand Development Fund Contribution	\$14,455	2.0%
Technology Fee	\$5,700	0.8%
Local Advertising (Difference)	\$2,811	0.4%
Total Expenses	\$487,014	67.38%
Adjusted Net Operating Income	\$235,741	32.6%

Table 2B Financial Information for the North Carolina Location During the 2023 Reporting Period		
Category	Total	% of Gross Sales
Gross Sales ⁽¹⁾	\$132,773	100.00%
Disclosed Operating Expenses (Actual)⁽²⁾		
Advertising, Promotion and Promotional Items	\$3,255	2.45%
Automobile Expense	\$805	0.61%
Fuel	\$607	0.46%
Tolls	\$75	0.06%
Bank Charges	\$1	0.00%
Business Licenses and Permits	\$590	0.44%
Dues and Subscriptions	\$825	0.62%
Licensing Fees	\$632	0.48%
Location Fee	\$3,181	2.40%
Insurance Expense	\$944	0.71%
Liability Insurance	\$1,076	0.81%
Workers Compensation Insurance	\$944	0.71%
Royalties	\$10,060	7.58%
Meals and Entertainment	\$643	0.48%
Meals	\$1,376	1.04%
Equipment	\$393	0.30%
Supplies	\$1,325	1.00%
Payroll	\$50	0.04%
Wages	\$45,880	34.56%
Payroll taxes Expense	\$2,253	1.70%
Contract	\$10,881	8.20%
QuickBooks Payments Fees	\$1,155	0.87%
Sports Equipment	\$1,165	0.88%



Table 2B Financial Information for the North Carolina Location During the 2023 Reporting Period		
Clothing / Gear	\$305	0.23%
Lodging	\$1,250	0.94%
Travel	\$1,909	1.44%
Telephone Expense	\$2,458	1.85%
Franchise-Related Expenses ⁽³⁾		
Royalties (Difference)	\$562	0.42%
Brand Development Fund Contribution	\$2,655	2.00%
Technology Fee	\$5,700	4.29%
Local Advertising (Difference)	\$2,745	2.07%
Total Expenses	\$105,702	79.61%
Adjusted Net Operating Income	\$27,071	19.21%

Table 2C Financial Information for the NW Broward During the 2023 Reporting Period		
Category	Total	% of Gross Sales
Gross Sales ⁽¹⁾	\$247,549	100.00%
Disclosed Operating Expenses (Actual) ⁽²⁾		
Insurance	\$1,350	0.55%
Royalty Fee	\$18,720	7.56%
Marketing	\$1,238	0.50%
Office Supplies /Software	\$1,682	0.68%
Other Business Expenses	\$1,076	0.43%
Payroll Expenses	\$141,884	57.32%
QuickBooks Payments Fees	\$3,089	1.25%
Franchise-Related Expenses ⁽³⁾		
Royalties (Difference)	\$17,104	8%
Brand Development Fund Contribution (Imputed)	\$4,276	2%
Technology Fee (Imputed)	\$5,700	2.30%
Local Advertising (Imputed)	\$4,762	1.92%
Total Expenses	\$185,535	74.95%
Adjusted Net Operating Income	\$61,947	25.02%

Notes to Tables 2A, 2B, and 2C:

1. “Gross Sales” is defined in the Notes to Tables 1A and 1B above.



2. The Dallas Location operates in a combined three-territory location in Texas and reports operating results on a combined basis. The NW Broward Location operates in combined three-territory location in Florida and reports operating results on a combined basis. The North Carolina Location operates in a single territory in North Carolina.
3. “Disclosed Operating Expenses” refers to the expenses disclosed in Table 2A, Table 2B, and Table 2C and does not include all operating expenses or costs of goods and/or services provided. The Disclosed Operating Expenses do not include the payroll wages of the owners and managers of these Franchise Locations and certain other expenses. The payroll taxes paid in connection with the payroll of these owners and managers was not excluded. For the Dallas Location, we have excluded reimbursements and wireless communication expenses as these included certain personal expenses of the business owner. For the NW Broward Location, we deleted equipment expenses for non-standard equipment that is not used by our other Franchised Locations. For the North Carolina Location, we excluded uncategorized discretionary operating expenses. The expenses include actual amounts paid to locations where Kidokinetics programs are held, including revenue and profit-sharing fees and other rental fees charged by these facilities. These costs for the NW Broward Location were deducted from revenue received by facilities prior to revenue being remitted by the facility to the NW Broward Location for services provided at these facilities. The North Carolina Location’s facility expenses are listed as a “Location Fee.” The Dallas Location discloses these expenses as “Facility Expenses.”
4. Franchise Related Adjustments. The Dallas Location, North Carolina Location, and NW Broward Location operate under a prior form of Franchise Agreement with alternative fee structures. These locations pay a reduced Royalty Fee and do not pay a Brand Development Fund Contribution or technology fees. We have imputed the following franchise-related adjustments based on our current form of Franchise Agreement: the difference between the Royalty Fee paid and the fee charged under the current Franchise Agreement (8% of Gross Sales), Brand Development Fund Contribution of 2% of Gross Sales, a technology fee of \$475 per month, and local advertising requirement* of 2% of Gross Sales to reflect fees and costs that franchised Kidokinetics Businesses will pay under our current fee structure. Because the Dallas Location and North Carolina Location incurred some advertising expenses, we have deducted the amount spent from the imputed Local Marketing Requirement. We do not assess an additional technology fee or require the Local Marketing Requirement for a single franchisee entity operating up to four contiguous territories. The illustrative adjustments of adding the then-current Royalty Fee, Brand Development Fund Contribution, technology fee and balance of the Local Marketing Requirement in the table above present financial projections. These projections are based on historical information. We assumed that any additional expenses would not have a direct or indirect material effect on revenue or other expenses. Any change in these assumptions would require material alterations to the projections.

*Franchisees are required to spend the greater of \$500 per month, or 2% of Gross Sales per month (on a rolling 12-month average) on local advertising. The amount equal to 2% of monthly Gross Sales for the Dallas Location, calculated on a rolling 12-month average, was greater than the minimum \$500 Local Marketing Requirement during the Reporting Period. Accordingly, we used the formula of 2% of Gross Sales to calculate the imputed franchise-related adjustment for the Local Marketing Requirement for the Dallas Location. The North Carolina Location and NW Broward Location did not meet the \$500 per month minimum. Accordingly, we used the \$500



per month figure and imputed the difference between the amounts these Affiliate Locations spent and the annualized \$500 per month advertising requirement.

5. “Adjusted Net Operating Income” equals Gross Sales less Disclosed Operating Expenses and Franchise Related Adjustments. Adjusted Net Operating Income is not net profit and does not include all operating expenses or any non-operating expenses such as taxes, interest, depreciation and amortization.
6. Franchisees may operate in up to four territories. We allow franchisees who have purchased a Multi-Franchise to provide combined financial information to us. We do not collect or require franchisees to provide us with separate numbers for each Kidokinetics Business they operate. Because the figures above for the Dallas Location and NW Broward Location include aggregate totals for multiple Kidokinetics Businesses, these figures may include significantly higher Gross Sales and Net Operating Income than a franchisee would generate operating a single territory. A breakdown of these numbers by each Kidokinetics Business would result in significantly lower numbers.
7. The financial performance representations in Table 2 do not reflect all expenses such as taxes and amortization that must be deducted from the Gross Sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Franchise Disclosure Document, may be one source of this information.

Table 3

In Table 3 we describe the range of certain Gross Sales metrics reported by the Franchised Locations in 2023 for specific services offered by the Franchised Locations. This data includes data from all Franchised Locations that operated during 2023. These metrics reflect the Gross Sales reported by all Franchised Locations during calendar year 2023.

Gross Sales Source	Gross Sales Range
Enrichment Monthly Subscription	\$59 - \$112
Physical Education Hourly Rate	\$90 - \$200

Notes to Table 3:

1. “Enrichment Monthly Subscription” refers to the low to high range of monthly subscription fees charged to attendees that subscribe to weekly class. These courses are typically 30 – 45 minutes per class and the subscription includes one class per week during each monthly billing period.
2. “Physical Education Hourly Rate” refers to the hourly rate charged by Franchised Locations for hourly physical education services. Physical Education Hourly Rate includes the high and low amount paid to the coaches employed by the Franchised Locations. Franchised Locations charge



this fee to approved third parties' clients, such as schools and community centers, for physical education programs hosted at their location.

Some Kidokinetics Businesses have earned this amount. Your individual results may differ. There is no assurance 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, Kidokinetics Franchise 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 Terri Braun, President, 10428 West SR 84, Unit 1, Davie, Florida 33324, (954) 385-8511, 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 - 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets*	2021	7	7	0
	2022	7	36	+29
	2023	36	121	+85
Company-Owned**	2021	1	4	+3
	2022	4	6	+2
	2023	6	9	+3
Total Outlets	2021	8	11	+3
	2022	11	42	+31
	2023	42	130	+88

* We designate each franchised territory as a separate "outlet." A single franchisee may operate multiple outlets.

**One Company-Owned Kidokinetics Business referred to in this table is owned and operated by our KKI Affiliate in the following counties in the state of Florida: Dade, Broward (excluding Southeast Broward), Palm Beach. The total population of the zip codes in these counties in which our KKI Affiliate operates includes approximately 1,400,000 people. This would equate to approximately six separate Territories (each consisting of approximately 220,000 in population). Three of the Company-Owned Kidokinetics Businesses referred to in this table are owned and operated by our TK Affiliate in Hillsborough County, Florida. Our TK Affiliate operates three Kidokinetics Businesses under three Kidokinetics franchise agreements and was granted a territory under each agreement. Two of the Company-Owned Kidokinetics Businesses referred to in this table are owned and operated by an officer-owned entity in Smyrna, Georgia.

