

<u>Provision</u>		<u>Section in Franchise Agreement</u>	<u>Summary</u>
			or expires, these covenants are limited to one year. These provisions are subject to state law. Competitive Business is defined in Section 1 of the Franchise Agreement.
s.	Modification of the agreement	21.6	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Manuals without your consent if the modification does not materially alter your fundamental rights.
t.	Integration/merger clause	21.6	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.
u.	Dispute resolution by arbitration or mediation	22.7	All disputes must be arbitrated in King County, Washington, with the cost of each party's arbitration and attorneys' fees being borne by that party.
v.	Choice of forum	22.2	Subject to state law, any litigation must be pursued in courts located in Seattle, Washington.
w.	Choice of law	22.1	Subject to state law, Washington law applies to the Franchise Agreement, 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.).

See also [Exhibit E](#), the Multi-State Addenda, which provides additional information regarding rules specific to these states.

ITEM 18. PUBLIC FIGURES.

We do not currently use any public figure to promote the 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.

Written substantiation of the data used in preparing this Item 19 will be made available to you upon reasonable request.

Information Presented in the Table

Table 1 below presents unaudited information about the actual gross sales and enrollment figures for all of our franchisees running “traditional” Lil’ Kickers Programs and all of Arena Sports’ licensees, provided that the location was in business and operating for all or most of the 12-month period ending December 31, 2024 (the “Traditional Reporting Outlets”). Incorporating the information from these Arena Sports licensees provides a much larger set of data than franchisees alone, thereby allowing a more accurate representation of historical performance. This table excludes 4 traditional franchisees that opened during the 2024 calendar year, the 2 franchisees and Arena Sports licensees that closed during the 2024 calendar year, 6 that did not operate for all of 2024 calendar year, as well as 0 corporate locations. This table also excludes the licensees that have been granted limited licenses to use our program curriculum and training modules, as these licensees are not permitted to use any trademark of ours and do not conduct Lil’ Kickers Programs.

Table 2 presents unaudited information about the actual gross sales and enrollment figures for all of our franchisees running Micro Lil’ Kickers Programs, provided that the location was in business and operating for all or most of the 12-month period ending December 31, 2024 (the “Micro Reporting Outlets”). This table excludes the 1 franchisee that closed during the 2024 calendar year.

We refer to the Traditional Reporting Outlets and the Micro Reporting Outlets collectively as the “Reporting Outlets.”

As of December 31, 2024, there were 73 traditional franchisees in the Lil’ Kickers system, including one outlet which is partly owned by Arena Sports; 12 Micro franchisees in the Lil’ Kickers system; and 5 Arena Sports licensees. The Traditional Reporting Outlets consist of 73 traditional franchisees and 5 licensees, which operate on a total of 84 fields. The Micro Reporting Outlets consist of all 11 Micro franchisees, which operate on a total of 11 fields.

Table 1 generally presents two categories of information: (i) the annual gross sales for 2024 of each of the Traditional Reporting Outlets; and (ii) the annual enrollment for 2024 for each of the Traditional Reporting Outlets. These two categories are reported first as total figures, and then on a “per field” basis, meaning the total reported figure—gross sales or enrollment—was divided by the number of fields at the facility used in connection with the Franchised Business.

For both annual gross sales and annual enrollment, Table 1 presents (i) the average of all Traditional Reporting Outlets; (ii) the lowest Traditional Reporting Outlet; (iii) the highest Traditional Reporting Outlet, as applicable; and (iv) the median value.

Table 1 then presents the number and percentage of the Traditional Reporting Outlets that attained or surpassed the stated average. These results are presented first for all Reporting Outlets, and then broken down by number of fields used at the outlet, and then by whether the outlet runs off-site programs.

Table 2 presents the same categories of information as Table 1 as detailed above, but for Micro Reporting Outlets only.

Gross Sales. Gross sales means the aggregate of all revenue from the sale of services from all sources in connection with the Franchised Business, including, without limitation, all annual registration fees, sales of classes, camps, parties, facility memberships, field trips, local program sponsorships, and proceeds from any business interruption insurance, but excluding (a) all refunds made in good faith, (b) any sales and equivalent taxes that are collected by an outlet for or on behalf of any governmental taxing authority and paid thereto, and (c) any rebate received by an outlet from a manufacturer or supplier. Membership sales refer to individuals who paid annual membership or registration fees charged by a facility as a direct result of signing up for a Lil' Kickers program.

Enrollment. Enrollment figures represent individuals who registered for one quarter of classes. An individual is counted each time he or she enrolls; thus, the same person may be counted 4 times in one year's results if they participated for the entire year. Enrollment occurs on a rolling basis, so the enrollment figures may also include partial seasons, for which class fees are typically pro-rated.

Number of Fields. Outlets use different numbers of fields in connection with the Franchised Business. Of the 56 Traditional Reporting Outlets, 4 outlets (or 7%) use three or more fields, 17 outlets (or 30%) use two fields, and 36 outlets (or 64%) use one field. Of the 11 Micro Reporting Outlets, all (100%) use one field.

Some outlets also have different sized fields, which accommodate different numbers of class participants, and some that have multiple fields do not use all fields as part of the franchised business. The break down by number of fields in the table below corresponds to the number of fields at each facility, but does not take the size or actual use of those fields into account.

Off-site Programs. Subject to our standards, outlets can run classes at local community centers, fitness clubs, gymnasiums, or, in the summer months, local parks. Of the 56 Traditional Reporting Outlets, 18 (or 32%) run these types of off-site programs. Of the 11 Micro Reporting Outlets, none operate these type of off-site programs. The gross sales and enrollment figures in the table below include activities at off-site locations, if any.

Assumptions

Most Reporting Outlets are in or near large metropolitan areas.

A majority of Reporting Outlets have been open (at least as indoor sports facilities) for three or more years. Many, if not most, Reporting Outlets are in facilities owned by the franchisee or licensee, and therefore receive full assistance in marketing and administrative support.

Finally, most Reporting Outlets strictly follow the methods and procedures of the Lil' Kickers System.

**Table 1 – Traditional Lil' Kickers Outlets
Statement of 2024 Gross Sales and Enrollment**

	2024 Gross Sales	2024 Gross Sales / Field	2024 Enrollment	2024 Enrollment / Field
Average	\$ 385,832.00	\$229,068.00	1775	1080
Lowest ***	\$ 58,290.00	\$58,290.00	171	171
Median	\$ 223,721.00	\$195,393.00	1050	979
Highest **	\$ 2,141,647.00	\$585,632.00	9,026	2,423
Number and (Percent) of locations that attained or surpassed the average stated above				
All Locations	21 of 56 (38%)	23 of 56 (41%)	24 of 56 (43%)	22 of 56 (39%)
<u>By Field</u>				
Locations with 3 fields	4 of 4 (100%)	4 of 4 (100%)	4 of 4 (100%)	4 of 4 (100%)
Locations with 2 fields	13 of 17 (76%)	10 of 17 (59%)	14 of 17 (82%)	9 of 17 (53%)
Locations with 1 field	4 of 35 (11%)	4 of 35 (11%)	6 of 35 (17%)	9 of 35 (26%)
<u>By off-site program</u>				
Locations that run off-site programs	6 of 18 (33%)	5 of 23 (22%)	6 of 18 (33%)	5 of 23 (22%)
Locations that do not run off-site programs	12 of 18 (66%)	18 of 23 (78%)	12 of 18 (66%)	18 of 23 (78%)
* Highest Performing Location. This Location operates in more than 3 fields.				
** High Performing Location. This location is especially high performing.				
Next highest Location had a 2024 total gross sales of \$2,052,856 and \$553,612 per field.				
*** Lowest Performing Location. This location operates in only 1 field.				
The lowest location had a 2024 total gross sales of \$58,290 and \$58,290 per field.				

**Table 2 - Micro Lil' Kickers Outlets
Statement of 2024 Gross Sales and Enrollment**

	2024 Gross Sales	2024 Gross Sales / Field	2024 Enrollment	2024 Enrollment / Field
Average	\$117,640	\$117,640	546	546
Lowest ***	\$54,420	\$54,420	171	171
Median	\$106,828	\$106,828	497	497
Highest **	\$206,661	\$206,661	914	914
Number and (Percent) of locations that attained or surpassed the average stated above				
All Locations	4 of 11 (36%)	4 of 11 (36%)	4 of 11 (36%)	4 of 11 (36%)
<u>By Field</u>				
Locations with 3 fields*	0 of 11 (0%)	0 of 11 (0%)	0 of 11 (0%)	0 of 11 (0%)
Locations with 2 fields	0 of 11 (0%)	0 of 11 (0%)	0 of 11 (0%)	0 of 11 (0%)
Locations with 1 field	4 of 11 (36%)	4 of 11 (36%)	4 of 11 (36%)	4 of 11 (36%)
<u>By off-site program</u>				
Locations that run off-site programs	0 of 11 (0%)	0 of 11 (0%)	0 of 11 (0%)	0 of 11 (0%)
Locations that do not run off-site programs	0 of 11 (0%)	0 of 11 (0%)	0 of 11 (0%)	0 of 11 (0%)
** High Performing Location. This location is especially high performing. Next highest Location had a 2024 total gross sales of \$174,180 and \$174,180 per field.				
*** Lowest Performing Location. This location operates in only 1 field. The lowest location had a 2024 total gross sales of \$54,420 and \$54,420 per field.				

Note: Some outlets have sold this amount. Your individual results may differ. There is no assurance you'll sell as much.

Other than the preceding financial performance representations, Lil' Kickers 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 Don Crowe at 9040 Willows Road NE, Suite 101, Redmond WA 98052 and (866) 650-0007, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION.

The following tables include the Arena Sports licensees.

**Table No. 1 - Systemwide Outlet Summary
For years 2022 to 2024**

<u>Outlet Type</u>	<u>Year</u>	<u>Outlets at the Start of the Year</u>	<u>Outlets at the End of the Year</u>	<u>Net Change</u>
Franchised	2022	76	77	+1
	2023	77	83	+6
	2024	83	85	+2
Company-Owned	2022	6	6	0
	2023	6	6	0
	2024	6	6	0
Total Outlets	2022	82	83	+1
	2023	83	89	+6
	2024	89	91	+2

**Table No. 2 - Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For years 2022 to 2024**

<u>State</u>	<u>Year</u>	<u>Number of Transfers</u>
California	2022	0
	2023	2
	2024	0
Illinois	2022	1
	2023	0
	2024	1
TOTALS	2022	1
	2023	2
	2024	1