

<b>Provision</b>	<b>Section in Development Rights Agreement</b>	<b>Summary</b>
		be enforceable. Nothing in the Development Rights Agreement or in any other related written agreement is intended to disclaim representations made in this franchise disclosure document.
u. Dispute resolution by arbitration or mediation	11	We and you must arbitrate all disputes within 10 miles of where we (or then-current 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 Development Rights 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 two standard locations. Club #2 shown below 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 other treated as one Club. Additionally, even as combined, the clubs are smaller than our recommended minimum of 75 full-time enrolled children. Each Club shown below operates in the same manner you will operate with the following exception: Club #1 (Gladstone, NJ) is limited to 69 children and had a capacity of only 54 full-time enrolled children until May 31, 2024; Club #2 (Middletown, RI) is limited to 62 full-time enrolled children.

## Club #1 (Gladstone, NJ) 2024 P&L – Monthly, Quarterly, and Annually

	Jan-24	Feb-24	Mar-24	Q1 2024	Apr-24	May-24	Jun-24	Q2 2024	Jul-24	Aug-24	Sep-24	Q3 2024	Oct-24	Nov-24	Dec-24	Q4 2024	FY 2024
Net Revenue	\$95,555	\$100,730	\$104,772	\$301,057	\$104,970	\$103,760	\$110,139	\$318,870	\$105,374	\$106,279	\$118,081	\$329,734	\$120,892	\$122,661	\$122,065	\$365,618	\$1,315,278
Cost of Goods Sold (Adjusted)	\$3,859	\$6,525	\$6,902	\$17,287	\$6,680	\$6,851	\$8,801	\$22,333	\$5,254	\$6,884	\$9,068	\$21,206	\$6,713	\$7,050	\$5,346	\$19,109	\$79,934
<u>Franchise Fees</u>																	
Royalties (7%)	\$6,689	\$7,051	\$7,334	\$21,074	\$7,348	\$7,263	\$7,710	\$22,321	\$7,376	\$7,440	\$8,266	\$23,081	\$8,462	\$8,586	\$8,545	\$25,593	\$92,069
Brand Fund Contribution (2%)	\$1,911	\$2,015	\$2,095	\$6,021	\$2,099	\$2,075	\$2,203	\$6,377	\$2,107	\$2,126	\$2,362	\$6,595	\$2,418	\$2,453	\$2,441	\$7,312	\$26,306
Total Franchise Fees	\$8,600	\$9,066	\$9,429	\$27,095	\$9,447	\$9,338	\$9,913	\$28,698	\$9,484	\$9,565	\$10,627	\$29,676	\$10,880	\$11,040	\$10,986	\$32,906	\$118,375
Gross Profit	\$83,096	\$85,139	\$88,440	\$256,675	\$88,842	\$87,570	\$91,426	\$267,838	\$90,636	\$89,830	\$98,385	\$278,852	\$103,299	\$104,572	\$105,733	\$313,603	\$1,116,969
Gross Margin	87%	85%	84%	85%	85%	84%	83%	84%	86%	85%	83%	85%	85%	85%	87%	86%	85%
Payroll Expenses (Adjusted)	\$56,010	\$52,680	\$53,388	\$162,078	\$47,711	\$52,200	\$49,924	\$149,835	\$49,532	\$46,644	\$48,027	\$144,203	\$52,456	\$47,909	\$55,486	\$155,850	\$611,967
Occupancy Expenses	\$25,608	\$26,849	\$28,438	\$80,895	\$25,839	\$29,216	\$30,378	\$85,433	\$28,871	\$27,784	\$25,810	\$82,464	\$26,148	\$26,609	\$25,319	\$78,076	\$326,868
Other Operating Expensees	\$3,149	\$2,478	\$3,073	\$8,701	\$2,244	\$4,203	\$1,782	\$8,229	\$1,260	\$3,943	\$4,200	\$9,403	\$4,307	\$4,153	\$5,139	\$13,599	\$39,932
EBITDA (Adjusted)	-\$1,671	\$3,133	\$3,540	\$5,002	\$13,048	\$1,951	\$9,342	\$24,341	\$10,973	\$11,460	\$20,348	\$42,781	\$20,387	\$25,901	\$19,790	\$66,078	\$138,201
EBITDA Margin %	-2%	3%	3%	2%	12%	2%	8%	8%	10%	11%	17%	13%	17%	21%	16%	18%	11%
EBITDAR (Adjusted)	\$15,260	\$19,914	\$20,622	\$55,797	\$29,980	\$18,971	\$26,324	\$75,274	\$27,955	\$28,442	\$37,330	\$93,727	\$37,369	\$42,883	\$36,772	\$117,024	\$341,823
EBITDAR (Adjusted) Margin %:	16%	20%	20%	19%	29%	18%	24%	24%	27%	27%	32%	28%	31%	35%	30%	32%	26%

Club #1 list pricing for 2024 for 5 full days per week was \$2,467 per month

## Club #2 (Middletown, RI) 2024 P&L - Monthly, Quarterly, and Annually

	Jan-24	Feb-24	Mar-24	Q1 2024	Apr-24	May-24	Jun-24	Q2 2024	Jul-24	Aug-24	Sep-24	Q3 2024	Oct-24	Nov-24	Dec-24	Q4 2024	FY '2024
Net Revenue (Adjusted)	\$108,601	\$109,673	\$114,506	\$332,781	\$111,098	\$111,998	\$118,106	\$341,203	\$117,829	\$114,166	\$108,353	\$340,348	\$111,535	\$109,063	\$104,968	\$325,565	\$1,339,896
Cost of Goods Sold	\$2,802	\$3,486	\$7,402	\$13,690	\$3,759	\$6,267	\$6,179	\$16,205	\$5,580	\$4,869	\$4,635	\$15,084	\$6,426	\$6,869	\$5,519	\$18,814	\$63,793
<b>Franchise Fees</b>																	
Royalties (7%)	\$7,602	\$7,677	\$8,015	\$23,295	\$7,777	\$7,840	\$8,267	\$23,884	\$8,248	\$7,992	\$7,585	\$23,824	\$7,807	\$7,634	\$7,348	\$22,790	\$93,793
Brand Fund Contribution (2%)	\$2,172	\$2,193	\$2,290	\$6,656	\$2,222	\$2,240	\$2,362	\$6,824	\$2,357	\$2,283	\$2,167	\$6,807	\$2,231	\$2,181	\$2,099	\$6,511	\$26,798
Total Franchise Fees	\$9,774	\$9,871	\$10,306	\$29,950	\$9,999	\$10,080	\$10,630	\$30,708	\$10,605	\$10,275	\$9,752	\$30,631	\$10,038	\$9,816	\$9,447	\$29,301	\$120,591
Gross Profit	\$96,025	\$96,317	\$96,799	\$289,141	\$97,341	\$95,651	\$101,297	\$294,289	\$101,645	\$99,022	\$93,966	\$294,632	\$95,070	\$92,378	\$90,002	\$277,451	\$1,155,513
Gross Margin	88%	88%	85%	87%	88%	85%	86%	86%	86%	87%	87%	87%	85%	85%	86%	85%	86%
Payroll Expenses (Adjusted)	\$63,928	\$62,105	\$62,625	\$188,658	\$62,800	\$68,391	\$59,989	\$191,180	\$65,939	\$64,826	\$54,949	\$185,714	\$57,694	\$61,548	\$68,541	\$187,783	\$753,334
Occupancy Expenses	\$19,946	\$22,593	\$20,149	\$62,687	\$22,204	\$20,026	\$23,382	\$65,611	\$20,061	\$23,468	\$20,518	\$64,047	\$21,457	\$20,013	\$19,073	\$60,543	\$252,889
Other Operating Expensees	\$5,626	\$2,833	\$5,412	\$13,871	\$3,264	\$3,502	\$1,777	\$8,543	\$3,091	\$4,718	\$7,893	\$15,703	\$5,726	\$6,009	\$6,969	\$18,704	\$56,820
EBITDA (Adjusted)	\$6,525	\$8,786	\$8,613	\$23,925	\$9,074	\$3,732	\$16,150	\$28,956	\$12,553	\$6,009	\$10,606	\$29,168	\$10,194	\$4,809	-\$4,582	\$10,421	\$92,469
EBITDA (Adjusted) Margin %	6%	8%	8%	7%	8%	3%	14%	8%	11%	5%	10%	9%	9%	4%	-4%	3%	7%
EBITDAR (Adjusted)	\$20,530	\$22,791	\$22,618	\$65,940	\$23,079	\$17,737	\$30,340	\$71,156	\$26,943	\$20,399	\$24,996	\$72,338	\$24,584	\$19,224	\$9,833	\$53,641	\$263,074
EBITDAR (Adjusted) Margin %:	19%	21%	20%	20%	21%	16%	26%	21%	23%	18%	23%	21%	22%	18%	9%	16%	20%

Club #2 list pricing for 2024 for 5 full days per week was \$2,015 per month

#### General Comments:

Except that one of the disclosed location operates in two buildings, there are no material financial or operational characteristics of the disclosed 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. These locations did not pay any Royalties or Brand Fund contributions. The amounts shown above reflect what these locations would have paid had they been franchised locations. These locations operate with a general manager, but the representation above presumes that you will be an owner operator. As such \$71,150 to \$84,380 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 and vision insurance benefits that were provided to employees. Finally, with respect to the Coggeshall Club, Corporate staff received a benefit of paid-for childcare. This resulted in \$6,045 to \$8,060 per month in adjustments.

#### Definitions:

*“Net 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. See General Comments above for adjustments to the Coggeshall Club.

*“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 Net Revenue, less all variable expenses such as Costs of Goods Sold, Royalties, and Brand Fund Fees.

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

*“Payroll Expenses”* 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.

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

*“Other Operating Expenses”* means all other expenses incurred in operating the business not included above. These amounts vary by location.

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

“EBITDAR” means earnings before interest, taxes, depreciation, amortization and 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 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	2	2	0
	2023	2	2	0
	2024	2	2	0