

	Provision	Section in Development Agreement	Summary
	Agreement is terminated or expires		chart), except the post-term noncompete covenant applies to any Competitive Business that is located within the Target Area (including any excluded areas within it), a 10-mile radius of the Target Area (including any excluded areas within it), or a 5-mile radius location of any other Facility that is then operating or under development.
s.	Modification of the agreement	Section 10	No modifications unless agreed to in writing by both parties.
t.	Integration/merger clause	Section 13	Only the terms of the Development Agreement and the initial Franchise Agreement are binding (subject to state law). Any other promises outside this Disclosure Document, the Development Agreement, or the initial Franchise Agreement may not be enforceable. Nothing in the Development Agreement or in any other related written agreement is intended to disclaim representations made in this Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Section 12	Subject to applicable state law, except for certain claims, all disputes must be arbitrated in Atlanta, Georgia, or, if our principal place of business is no longer located in Atlanta, Georgia, then at the office of the American Arbitration Association (“AAA”) nearest to our principal place of business.
v.	Choice of forum	Section 12	Litigation must be filed in the United States District Court or the Superior (or any comparable) Court where we have our principal place of business when such action is filed (currently, Atlanta, Georgia), subject to state laws.
w.	Choice of law	Section 12	Georgia law and federal trademark law apply, subject to state laws.

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.

This Item 19 presents information about the financial performance of franchised Facilities during the calendar year ending December 31, 2024 (“**Calendar Year 2024**”) that were active

franchises throughout Calendar Year 2024. An “**active franchise**” is a franchise that opened a Facility prior to January 1, 2024 and had not permanently closed such Facility by December 31, 2024.

This Item 19 does not include data for one franchised Facility with a capacity of 418 children (which is significantly larger than a typical Facility) and four Primrose on Premise Facilities (which are not representative of a typical Facility) that were active franchises during the applicable period (the “**Excluded Facilities**”).

TABLE 1: SUMMARY OF ANNUAL GROSS REVENUES OF FACILITIES BY QUARTILE IN CALENDAR YEAR 2024

	# of Facilities	Average Gross Revenues	# at or Above Average Gross Revenues	% at or Above Average Gross Revenues	Median Gross Revenues	Lowest Gross Revenues	Highest Gross Revenues
Top 25%	125	\$3,812,543	44	35%	\$3,636,827	\$3,132,537	\$6,684,671
Second 25%	125	\$2,873,761	59	47%	\$2,860,887	\$2,653,188	\$3,130,058
Third 25%	125	\$2,429,591	61	49%	\$2,413,208	\$2,176,452	\$2,651,838
Bottom 25%	124	\$1,790,885	68	55%	\$1,835,475	\$617,913	\$2,164,758
Total	499	\$2,728,570	225	45%	\$2,653,188	\$617,913	\$6,684,671

NOTES TO TABLE 1:

1. Table 1 includes data from 499 Facilities that were active franchises throughout the entire Calendar Year 2024 (out of 525 Facilities that were open franchises as of the end of Calendar Year 2024). It does not include (i) 21 Facilities that opened during Calendar Year 2024 and (ii) five Excluded Facilities. It also does not include one franchised Facility that temporarily closed in April 2024, remained closed at the end of Calendar Year 2024, and is reopening in 2025 under new ownership. No Facilities were permanently closed or reacquired by us during Calendar Year 2024.

TABLES 2 AND 3: PROFIT AND LOSS STATEMENTS

The following tables set forth the historical average profit and loss statements for certain Facilities based on information reported to us by our franchisees.

Tables 2 and 3 include data from 413 Facilities that were active franchises throughout the entire Calendar Year 2024 (out of 525 Facilities that were open franchises as of the end of Calendar Year 2024). It does not include (i) 21 Facilities that opened during Calendar Year 2024, (ii) five Excluded Facilities, (iii) 30 Facilities that were transferred to a new franchisee during Calendar Year 2024 (and, therefore, did not report a full year of expenses), (iv) 14 Facilities that submitted data that was incomplete or otherwise inconsistent with the categories that we have presented, and (v) 42 Facilities that did not timely submit data. It also does not include one franchised Facility that temporarily closed in April 2024, remained closed at the end of Calendar Year 2024, and is reopening in 2025 under new ownership. No Facilities were reacquired by us during Calendar Year 2024.

In the tables, the 413 Facilities included in the Calendar Year 2024 data (the “**Included Facilities**”) were divided into three groups based on the Gross Revenues of each Facility. The “Top Third” includes the Included Facilities with the highest Gross Revenues. The “Middle Third” includes the Included Facilities with Gross Revenues less than the Top Third but higher than the Bottom Third. The “Bottom Third” includes the Included Facilities with the lowest Gross Revenues.

Table 2 provides a detailed average profit and loss statement for Calendar Year 2024. Table 3 provides additional details concerning several of the line items disclosed in Table 2.

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TABLE 2: PROFIT AND LOSS STATEMENT FOR CALENDAR YEAR 2024

	All Included Facilities		Top Third		Middle Third		Bottom Third	
	(413 Facilities)		(138 Facilities)		(138 Facilities)		(137 Facilities)	
During 1/1/24 to 12/31/24	Average	% of Total Gross Revenues	Average	% of Total Gross Revenues	Average	% of Total Gross Revenues	Average	% of Total Gross Revenues
Total Gross Revenues	\$2,814,801		\$3,751,096		\$2,708,116		\$1,979,137	
Payroll (excluding taxes)	\$1,155,431	41%	\$1,449,243	39%	\$1,151,986	43%	\$862,945	44%
Payroll Taxes	\$105,341	4%	\$145,501	4%	\$91,670	3%	\$78,657	4%
Total Payroll and Taxes	\$1,260,772	45%	\$1,594,745	43%	\$1,243,656	46%	\$941,602	48%
Brand Fund Fee - 2% of Gross Rev.	\$48,962	2%	\$58,863	2%	\$53,679	2%	\$34,237	2%
Royalty Fee - 7% of Gross Rev.	\$200,150	7%	\$277,164	7%	\$189,024	7%	\$133,779	7%
MLBC & Local Advertising	\$31,952	1%	\$46,123	1%	\$24,011	1%	\$25,676	1%
Total Brand Fund, Royalty, and MLBC	\$281,063	10%	\$382,150	10%	\$266,714	10%	\$193,693	10%
Food	\$94,646	3%	\$120,482	3%	\$90,885	3%	\$72,411	4%
Educational Supplies	\$37,961	1%	\$51,040	1%	\$34,892	1%	\$27,878	1%
Bank Charges and Credit Card Fees	\$9,540	0%	\$12,234	0%	\$8,509	0%	\$7,865	0%
Bus Operating Expenses	\$2,481	0%	\$2,716	0%	\$3,166	0%	\$1,555	0%
Employee Benefits	\$41,694	1%	\$60,803	2%	\$39,327	1%	\$24,829	1%
Professional Fees	\$2,043	0%	\$3,345	0%	\$1,326	0%	\$1,452	0%
Field Trips	\$5,043	0%	\$5,027	0%	\$4,767	0%	\$5,339	0%
Cleaning Charges	\$8,802	0%	\$10,237	0%	\$9,884	0%	\$6,267	0%
Misc. Taxes & Licenses	\$5,908	0%	\$6,681	0%	\$7,171	0%	\$3,856	0%
Office Supplies & Postage Expense	\$15,358	1%	\$18,424	0%	\$17,316	1%	\$10,296	1%
Printing & Promotional Clothing	\$2,263	0%	\$2,240	0%	\$2,511	0%	\$2,035	0%
Staff Training	\$4,769	0%	\$7,157	0%	\$4,270	0%	\$2,865	0%
Supplies (General)	\$21,600	1%	\$20,888	1%	\$21,829	1%	\$22,086	1%
Telephone Expense	\$11,759	0%	\$14,120	0%	\$11,130	0%	\$10,015	1%
Uniforms	\$3,529	0%	\$4,530	0%	\$3,313	0%	\$2,739	0%
Miscellaneous Expenses	\$31,372	1%	\$35,983	1%	\$33,399	1%	\$24,686	1%
Total Other Expenses	\$298,767	11%	\$375,907	10%	\$293,694	11%	\$226,173	11%
Insurance - General Liability	\$37,882	1%	\$44,742	1%	\$32,688	1%	\$36,204	2%
Maintenance - (Building, Grounds, Equip)	\$55,806	2%	\$64,342	2%	\$52,053	2%	\$50,989	3%
Utilities	\$56,478	2%	\$66,937	2%	\$53,221	2%	\$49,223	2%
Rent	\$315,059	11%	\$373,854	10%	\$314,867	12%	\$256,027	13%
Total Occupancy Expenses	\$465,225	17%	\$549,875	15%	\$452,828	17%	\$392,443	20%
Total Expenses	\$2,305,827	82%	\$2,902,677	77%	\$2,256,892	83%	\$1,753,911	89%
EBITDAR (Note 1)	\$824,034	29%	\$1,222,273	33%	\$766,091	28%	\$481,253	24%
EBITDA (Note 1)	\$508,975	18%	\$848,418	23%	\$451,224	17%	\$225,226	11%

TABLE 3: DETAILS REGARDING CERTAIN AVERAGES PRESENTED IN PROFIT AND LOSS STATEMENTS

	2024			
	All Included Facilities	Top Third	Middle Third	Bottom Third
# of Facilities	413	138	138	137
Gross Revenues				
Average	\$2,814,801	\$3,751,096	\$2,708,116	\$1,979,137
# and % Above Avg	178 / 43%	52 / 38%	65 / 47%	75 / 55%
Median	\$2,689,029	\$3,565,761	\$2,688,578	\$2,030,863
Highest	\$6,683,053	\$6,683,053	\$3,123,924	\$2,490,228
Lowest	\$1,041,866	\$3,041,446	\$2,378,804	\$1,041,866
Total Expenses				
Average	\$2,305,827	\$2,902,677	\$2,256,892	\$1,753,911
# and % Above Avg	96 / 23%	28 / 20%	16 / 12%	25 / 18%
Median	\$1,927,177	\$2,433,376	\$1,932,951	\$1,500,900
Highest	\$4,149,303	\$4,149,303	\$2,590,300	\$2,069,764
Lowest	\$693,544	\$1,555,460	\$773,489	\$693,544
EBITDA (Note 1)				
Average	\$508,975	\$848,418	\$451,224	\$225,226
# and % Above Avg	180 / 44%	60 / 43%	68 / 49%	66 / 48%
Median	\$454,885	\$800,097	\$447,091	\$213,753
Highest	\$2,324,690	\$2,324,690	\$1,784,492	\$721,790
Lowest	\$(394,053)	\$129,823	\$(360,683)	\$(394,053)

NOTES TO TABLES 2 AND 3:

1. **“EBITDAR”** means adjusted operating income/earnings before interest, taxes, depreciation, amortization, and rent. **“EBITDA”** means adjusted operating income/earnings before interest, taxes, depreciation, and amortization.

NOTES TO ITEM 19:

2. “Gross Revenues” includes the total of all revenues generated from any learning, recreational, and child care services and any other activities, products or services sold or performed by a franchisee, and by persons other than such franchisee, in connection with such franchisee’s business or otherwise at or through its Facility, less sales, use or service taxes actually collected and paid to the appropriate taxing authority. See Note 1 to Item 6 for the full definition of Gross Revenues. Gross Revenues does not include any federal and/or state relief, grants, or other forms of financial assistance that franchisees may have collected.
3. The data included in this Item 19 is based on information reported to us by our franchisees and has not been audited.
4. **Some outlets have sold or earned this amount. Your individual results may differ. There is no assurance that you’ll earn as much.**

5. Substantiation for the data contained in Item 19 will be made available to you by us upon reasonable request.

Other than in this Item 19, we do not make any additional representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any additional representations either orally or in writing. If you receive any additional financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Franchise Administration at 3200 Windy Hill Road SE, Suite 1200E, Atlanta, GA 30339 (Tel. 770-529-4100), the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

The "Franchised Facilities" described in this Item 20 are operated by franchisees that are currently licensed by us or PSF2.

Table No. 1
System-wide Facility Summary
For Fiscal Years 2022 to 2024

Facility Type	Year	Facilities at the Start of the Year	Facilities at the End of the Year	Net Change
Franchised	2022	465	483	+18
	2023	483	505	+22
	2024	505	525	+20
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Facilities	2022	465	483	+18
	2023	483	505	+22
	2024	505	525	+20

Table No. 2
Transfers of Facilities from Franchisees to New Owners (other than us or our affiliates)
For Years 2022 to 2024

State	Year	Number of Transfers
Alabama	2022	1
	2023	0
	2024	0
Arizona	2022	3
	2023	1
	2024	3
Colorado	2022	2
	2023	6
	2024	1
Florida	2022	5
	2023	2
	2024	1