

FRANCHISE AGREEMENT			
	Provision	Section in Franchise Agreement	Summary (subject to any state-specific addenda that apply to you)
w.	Choice of law	27.1	Georgia law. Your state law may impact this provision.

Item 18**Public Figures**

We do not use any public figures to promote our franchise.

Item 19**Financial Performance Representations**

The FTC's Franchise Rule permits a franchisor to disclose 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 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 performance at a particular location or under particular circumstances.

In this Item, we provide certain historical operating results for Challenge Island franchisees in calendar year 2025.

TABLE 1
AVERAGE GROSS REVENUES OF ALL FULL-TIME FRANCHISEES
BASED ON PERCENTAGE CATEGORY FOR 2025

Franchisee Percentage Category	# of Franchisees in Group	# of Territories in Group	Gross Revenue per Franchisee				# and % over avg
			Average	Median	High	Low	
Top 25%	12	25	\$177,839	\$179,143	\$256,315	\$114,125	6 of 12 (50%)
Top 50%	25	44	\$123,726	\$112,930	\$256,315	\$58,171	10 of 25 (40%)
Middle 50%	25	33	\$58,280	\$58,171	\$112,930	\$30,772	12 of 25 (48%)
Bottom 50%	25	30	\$31,067	\$29,888	\$56,321	\$15,261	10 of 25 (40%)
Bottom 25%	13	15	\$21,442	\$20,552	\$29,888	\$15,261	6 of 13 (46%)

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TABLE 2
AVERAGE GROSS REVENUES OF ALL FULL-TIME FRANCHISEES
BASED ON TERRITORY CATEGORY FOR 2025

Franchised Location Type	# of Franchisees in Group	# of Territories in Group	Gross Revenue per Franchisee				# and % over avg
			Average	Median	High	Low	
Single Territory	31	31	\$60,741	\$43,892	\$256,315	\$15,261	9 of 31 (29%)
Two Territory	16	32	\$90,420	\$82,544	\$221,128	\$24,060	6 of 16 (38%)
Three Territory	1	3	\$114,125	\$114,125	\$114,125	\$114,125	1 of 1 (100%)
Four Territory	2	8	\$213,011	\$213,011	\$248,736	\$177,285	1 of 2 (50%)

TABLE 3
AVERAGE GROSS REVENUE OF ALL FULL-TIME FRANCHISEES FOR 2025

# of Territories in Group	# of Franchisees in Group	Gross Revenue per Franchisee				# and % over avg
		Average	Median	High	Low	
74	50	\$77,397	\$57,246	\$256,315	\$15,262	17 of 50 (34%)

TABLE 4
AVERAGE PER TERRITORY GROSS REVENUE OF
ALL FULL-TIME FRANCHISEES FOR 2025

# of Territories in Group	# of Franchisees in Group	Gross Revenue per Franchisee				# and % over avg
		Average	Median	High	Low	
74	50	\$52,295	\$42,021	\$256,315	\$12,030	29 of 74 (39%)

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TABLE 5
AVERAGE GROSS REVENUES OF ALL PART-TIME AND FULL-TIME FRANCHISEES
BASED ON PERCENTAGE CATEGORY FOR 2025

Franchisee Percentage Category	# of Franchisees in Group	# of Territories in Group	Gross Revenue per Franchisee				# and % over avg
			Average	Median	High	Low	
Top 25%	15	30	\$161,053	\$139,383	\$256,315	\$84,041	7 of 15 (47%)
Top 50%	30	59	\$112,424	\$82,544	\$256,315	\$45,974	13 of 30 (43%)
Middle 50%	30	49	\$49,849	\$46,568	\$81,047	\$21,258	13 of 30 (43%)
Bottom 50%	30	46	\$22,449	\$20,905	\$44,993	\$3,060	14 of 30 (47%)
Bottom 25%	15	24	\$13,182	\$15,261	\$20,552	\$3,060	9 of 15 (60%)

TABLE 6
AVERAGE GROSS REVENUES OF ALL PART-TIME AND FULL-TIME FRANCHISEES
BASED ON TERRITORY CATEGORY FOR 2025

Franchised Location Type	# of Franchisees in Group	# of Territories in Group	Gross Revenue per Franchisee				# and % over avg
			Average	Median	High	Low	
Single Territory	34	34	\$56,124	\$35,548	\$256,315	\$6,924	12 of 34 (35%)
Two Territory	18	36	\$81,308	\$70,542	\$221,128	\$3,060	7 of 18 (39%)
Three Territory	3	9	\$44,740	\$12,915	\$114,125	\$7,180	1 of 3 (33%)
Four Territory	4	16	\$115,889	\$99,271	\$248,736	\$16,278	2 of 4 (50%)
Five + Territories	1	10	\$76,670	\$76,670	\$76,670	\$76,670	1 of 1 (100%)

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TABLE 7
AVERAGE GROSS REVENUE OF ALL PART-TIME AND FULL-TIME FRANCHISEES FOR 2025

# of Territories in Group	# of Franchisees in Group	Gross Revenue per Franchisee				
		Average	Median	High	Low	# and % over avg
105	60	\$67,436	\$45,483	\$256,315	\$3,060	21 of 60 (35%)

TABLE 8
AVERAGE PER TERRITORY GROSS REVENUE OF ALL PART-TIME AND FULL-TIME FRANCHISEES FOR 2025

# of Territories in Group	# of Franchisees in Group	Gross Revenue per Franchisee				
		Average	Median	High	Low	# and % over avg
105	60	\$38,535	\$30,660	\$256,315	\$1,503	42 of 105 (40%)

Notes to Tables 1-8:

- A. "Gross Sales" as used here is the same as the definition in Item 6, note 2.
- B. Gross Sales may include "Extraterritorial Sales" which are sales of Services or Products outside the Protected Area.
- C. The figures in this Item 19 are based on financial reports that franchisees submitted to us through our Franchise Management Tool during the 2025 calendar year. This data represents 50 Full-Time franchisees (covering 74 territories) and 10 Part-Time franchisees (covering 31 territories).
- D. During the 2025 calendar year, represents 50 Full-Time franchisees (covering 74 territories) and 10 Part-Time franchisees (covering 31 territories) met our reporting requirements, out of a total system size of 93 franchisees (representing 170 territories).
- E. The data in Tables 1 through 8 exclude 33 franchisees (comprising 65 territories) for the following reasons: (a) 3 franchisees (comprising 5 territories) ceased operations due to personal health-related matters that prevented them from managing day-to-day operations of the Franchised Business; (b) 23 franchisees (comprising 50 territories) did not provide data to us as required under our reporting requirements; and (c) 7 franchisees (comprising 10 territories) were in operation for fewer than 12 months as of the end of the fiscal year. Company-owned (or affiliate-owned) Territories are not included in the data.
- F. As detailed in Item 12, a standard Territory is typically defined by approximately 30 elementary schools, each with an approx. enrollment of 200 students. However, the actual number of schools meeting these criteria within a specific Territory may vary.
- G. Territories vary based on several factors, including median income levels, available government funding, school enrollment sizes, and the total number of preschools, middle schools, parks and recreation departments, and other eligible institutions within the Protected Area.

The financial performance representations appearing in this Item 19 constitute a historic representation. To the best of our knowledge, all of our franchisees use the cash basis of accounting.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

Written substantiation for these financial performance representations will be made available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representations, we do 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 our management by contacting Sharon Estroff, 4590 LaSalle Ct., Marietta, Georgia 30062 (404) 692-3103, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20

Outlets and Franchisee Information

Table 1:
System wide Outlet Summary for 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	129	143	+14
	2024	143	161	+18
	2025	161	170	+9
Company-Owned	2023	7	7	+0
	2024	7	7	+0
	2025	7	7	+0
Total Outlets	2023	136	150	+14
	2024	150	168	+18
	2025	168	177	+9

Notes to all Item 20 Tables:

1. The Company-owned units identified above are owned by our affiliate, Kidsplorations.
2. As used here, "Outlets" corresponds to "Territories" in our system. The figures provided in this Item 20 reflect the number of Territories in operation at year-end. (See Item 12 for the definition of a "Territory".) A franchisee may have franchise agreements for more than one Territory. As of December 31, 2025, there were 93 franchisees operating 170 different Territories.
3. States not listed had no activity.
4. Our fiscal years end on December 31st each year.