

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	Section 21	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 20	Except for certain claims, all disputes must be mediated and arbitrated in Denver, Colorado (or, if we choose, in the city where our principal place of business is located, currently Orlando, Florida), subject to applicable state law. Before mediating or arbitrating any claim or dispute, you must participate in our informal dispute resolution procedures and attend an in-person meeting with one of our representatives in Denver, Colorado, or another location we choose. If you attend and participate in our informal dispute resolution process, we will reimburse one attendee for airfare, lodging, and food costs while attending the informal dispute resolution meeting, up to a maximum of \$750 per day for up to two days.
v. Choice of forum	Section 20	Except for certain claims, all disputes must be mediated and arbitrated in Denver, Colorado (or if we chose, and if applicable, litigated in the principal city closest to our principal place of business - currently Orlando, Florida), and if applicable, litigated in the principal city closest to our principal place of business (currently Orlando, Florida), subject to applicable state law.
w. Choice of law	Section 21	Florida law applies, 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 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 Franchise 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.

As of December 31, 2025, there were 97 Hounds Town USA Businesses open and operating, 96



franchised (“Franchised Locations”) and one affiliate-owned (“Affiliate Location”). Of the 97 Hounds Town USA Businesses open and operating as of December 31, 2025, we have excluded (a) 22 Franchised Locations that had not been open for at least 12 months as of that date, and (b) one additional Franchised Location (Store 5) that has an arrangement with a local animal shelter. The remaining 73 Franchised Locations and one Affiliate Location constitute the “Reporting Group.” Store 5 receives revenue from a partnership with a local shelter. This relationship is not common for Hounds town USA Businesses and significantly increases their revenue. It does not reflect the typical Hounds Town USA Business and has been excluded. The following table illustrates our Reporting Group:

2025 REPORTING GROUP					
Franchised Locations	Affiliate Location	Total Open as of December 31, 2025	Not Open at Least 12 Months	Partnership With Shelter	Total In Reporting Group (Franchised And Affiliate)
96	1	97	(22)	(1)	74

The Affiliate Location has been open for over 20 years and benefits from brand recognition in Ronkonkoma, New York, and surrounding areas. Franchised Hounds Town USA Businesses will share many characteristics with the Affiliate Location, including the degree of competition and services and goods offered. The Affiliate Location pays Royalties and Brand Fund Contributions. As described in Note 5 to Tables 8 and 9, Table 8 reflects the Affiliate Location’s actual Royalties and Brand Fund Contributions, and imputed Technology Fee and Local Advertising Management Fee amounts for comparability with Franchised Locations. The Affiliate Location is not subject to the Local Advertising Requirement.

The Reporting Group is divided into subsets by the number of years open to provide as detailed information as possible:

Category	Number of Locations
Open 10+ years	2 Locations (1 affiliate – 1 franchised)
Open 5+ years (opened before December 31st 2020)	11 Franchised Locations
Open 3-5 years (opened between January 1st 2021 and December 31st 2022)	22 Franchised Locations
Open 2-3 years (opened between January 1st 2023 and December 31st 2023)	17 Franchised Locations
Open 1-2 years (opened between January 1st 2024 and December 31st 2024)	22 Franchised Locations
Total In Reporting Group	74 (1 Affiliate Location / 73 Franchised Locations)

This Item 19 presents nine tables reporting historical financial information for the Reporting Group for the 2025 Calendar Year and, where indicated, the 2023 and 2024 Calendar Years.

**Table 1** reports Net Revenue and YOY Sales Growth for the Affiliate Location for Calendar Years 2023, 2024, and 2025. **Table 2** reports Net Revenue and, where available based on opening date, YOY Sales Growth for the 73 Franchised Locations in the Reporting Group for Calendar Years 2023, 2024, and 2025.



**Tables 3 and 4** report, by Revenue Category, Daycare Revenue, Boarding Revenue, Spa Revenue, and Other Revenue, together with Daycare Occupancy, Boarding Occupancy, Total Occupancy, Daycare Average Check, Boarding Average Check, and Average Check, for the Affiliate Location and the Franchised Locations in the Reporting Group, respectively. Table 3 provides this data for the Affiliate Location for Calendar Year 2025, and Table 4 provides this data for the Franchised Locations in the Reporting Group for Calendar Year 2025.

**Tables 5 and 6** illustrate, in pie-chart form, Net Revenue as a Percent Breakdown by Revenue Category and Occupancy (Daycare and Boarding counts) as a Percent Breakdown of Total Occupancy, for the Affiliate Location and the Reporting Group, respectively, in each case for the 2025 Calendar Year.

**Table 7** reports, for each maturity subset of the Reporting Group, Average and Median Net Revenue, Average and Median YOY Sales Growth, Average and Median Average Check, and the highest and lowest Net Revenue and Average Check within the subset for the 2025 Calendar Year.

**Tables 8 and 9** report Net Revenue, Operating Expenses, and Net Operating Income for the Affiliate Location and for the 29 Franchised Locations in the Table 9 Reporting Group for the 2025 Calendar Year. The criteria for inclusion in the Table 9 Reporting Group are described in the introduction to Table 9.

The results for the Affiliate Location (Tables 1, 3, 5, and 8) are based on the Affiliate Location's internal accounting records. The results for the Franchised Locations in the Reporting Group and in the Table 9 Reporting Group (Tables 2, 4, 6, 7, and 9) are based on information provided to us by those Franchised Locations and information we obtained through the POS System. None of the results has been audited, but we have no reason to doubt their accuracy.

The financial performance representations in Tables 1 through 7 report revenue-related information only and do not reflect the cost of goods sold, operating expenses, or other costs or expenses that must be deducted from Net Revenue to obtain net income or profit. The financial performance representations in Tables 8 and 9 do not reflect interest, depreciation, amortization, taxes, owners' draw, or owners' compensation, all of which must be deducted from Net Operating Income to obtain net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Hounds Town USA Business. Franchisees and former franchisees, listed in this Disclosure Document, may be one source of this information.

For purposes of this Item 19, the term “Net Revenue” means the total selling price, excluding sales taxes, discounts and promotions of all products and services sold at, from, or through the Hounds Town USA Business whether or not sold or performed at or from the Hounds Town USA Business, including the full redemption value of any voucher or coupon sold for use at the Hounds Town USA Business (fees retained by or paid to third-party sellers of such vouchers or coupons are not excluded from this calculation).

**TABLE 1:**

Table 1 presents Net Revenue and YOY Sales Growth for the Affiliate Location.

**TABLE 1**  
Net Revenue, Year-over-Year Sales Growth for the Affiliate Location

Category	
Store #	1



Date Open	Jan 2004
2023 Net Revenue	\$1,079,556
2024 Net Revenue	\$1,109,900
2025 Net Revenue	\$1,028,511
2023 to 2024 YOY Sales Growth	2.81%
2024 to 2025 YOY Sales Growth	-7.33%

**TABLE 2:**

Table 2 presents Net Revenue and YOY Sales Growth for the 73 Franchised Locations in the Reporting Group, with the periods shown based on each Franchised Location's opening date.

**TABLE 2**  
Net Revenues and Select Year-Over-Year Sales Growth for the Franchised Locations in the Reporting Group During Calendar Years 2023-2025

Store #	Date Open	2023 Revenue	2024 Revenue	2025 Revenue	2023-2024 YOY	2024-2025 YOY
<b>OPEN 10+ YEARS (1 FRANCHISED LOCATION)</b>						
2	April 2012	\$1,446,366	\$1,407,458	\$1,294,019	-2.69%	-8.06%

Store #	Date Open	2023 Revenue	2024 Revenue	2025 Revenue	2023-2024 YOY	2024-2025 YOY
<b>OPEN 5+ YEARS (OPENED BEFORE DECEMBER 31, 2020) -11 FRANCHISED LOCATIONS</b>						
3	March 2017	\$989,919	\$954,754	\$774,229	-3.55%	-18.91%
4	SEPT 2017	\$878,026	\$939,409	\$907,766	6.99%	-3.37%
6	July 2018	\$790,464	\$839,395	\$862,557	6.19%	2.76%
7	April 2019	\$1,081,507	\$1,071,256	\$1,032,679	-0.95%	-3.60%
8	April 2019	\$1,355,440	\$1,349,576	\$1,359,016	-0.43%	0.70%
9	Oct 2019	\$585,888	\$558,913	\$594,518	-4.60%	6.37%
10	Dec 2019	\$572,956	\$726,658	\$840,892	26.83%	15.72%
11	June 2020	\$553,717	\$511,642	\$508,658	-7.60%	-0.58%
12	June 2020	\$603,340	\$572,725	\$591,247	-5.07%	3.23%
14	Nov 2020	\$691,928	\$743,308	\$734,978	7.43%	-1.12%
15	Nov 2020	\$813,149	\$927,182	\$1,063,330	14.02%	14.68%



Store #	Date Open	2023 Revenue	2024 Revenue	2025 Revenue	2023-2024 YOY	2024-2025 YOY
<b>OPEN 3-5 YEARS (OPENED BETWEEN JANUARY 1, 2021 AND DECEMBER 31, 2022) -22 FRANCHISED LOCATIONS</b>						
16	Jan 2021	\$662,712	\$777,641	\$783,081	17.34%	0.70%
17	March 2021	\$530,150	\$552,960	\$554,680	4.30%	0.31%
18	June 2021	\$457,540	\$523,122	\$577,071	14.33%	10.31%
19	Aug 2021	\$632,275	\$703,993	\$693,292	11.34%	-1.52%
20	Dec 2021	\$927,261	\$1,081,531	\$1,231,060	16.64%	13.83%
21	Dec 2021	\$265,121	\$334,350	\$323,128	26.11%	-3.36%
22	Jan 2022	\$488,120	\$554,919	\$539,219	13.68%	-2.83%
23	Feb 2022	\$442,240	\$374,107	\$414,867	-15.41%	10.90%
24	March 2022	\$281,700	\$277,457	\$288,962	-1.51%	4.15%
25	April 2022	\$665,263	\$719,610	\$817,916	8.17%	13.66%
27	April 2022	\$543,123	\$717,032	\$879,167	32.02%	22.61%
28	May 2022	\$494,381	\$574,725	\$659,101	16.25%	14.68%
29	May 2022	\$449,093	\$546,126	\$633,157	21.61%	15.94%
30	June 2022	\$393,970	\$481,247	\$487,716	22.15%	1.34%
31	June 2022	\$277,477	\$361,229	\$334,803	30.18%	-7.32%
32	Aug 2022	\$283,203	\$365,147	\$376,477	28.93%	3.10%
33	Aug 2022	\$368,832	\$535,301	\$743,760	45.13%	38.94%
34	SEPT 2022	\$475,432	\$585,302	\$650,565	23.11%	11.15%
35	Nov 2022	\$295,426	\$323,761	\$427,281	9.59%	31.97%
36	Nov 2022	\$373,342	\$733,878	\$814,800	96.57%	11.03%
37	Dec 2022	\$280,087	\$395,559	\$465,383	41.23%	17.65%
38	Dec 2022	\$357,224	\$538,440	\$709,344	50.73%	31.74%

<b>OPEN 2-3 YEARS (OPENED BETWEEN JANUARY 1, 2023 AND DECEMBER 31, 2023) -17 FRANCHISED LOCATIONS</b>				
Store #	Date Open	2024 Revenue	2025 Revenue	2024-2025 YOY
39	Jan 2023	\$330,267	\$367,034	11.13%
40	Jan 2023	\$528,198	\$573,713	8.62%



41	Feb 2023	\$473,578	\$613,584	29.56%
42	March 2023	\$287,618	\$304,094	5.73%
43	April 2023	\$753,707	\$926,392	22.91%
44	May 2023	\$491,444	\$660,079	34.31%
45	May 2023	\$78,112	\$166,744	113.47%
46	June 2023	\$346,465	\$430,359	24.21%
47	July 2023	\$286,721	\$314,225	9.59%
48	July 2023	\$303,853	\$380,902	25.36%
49	Aug 2023	\$115,238	\$92,602	-19.64%
50	SEPT 2023	\$248,130	\$369,961	49.10%
51	Oct 2023	\$286,946	\$440,566	53.54%
52	Nov 2023	\$346,373	\$485,743	40.24%
53	Nov 2023	\$170,021	\$318,299	87.21%
54	Nov 2023	\$319,191	\$546,497	71.21%
55	Dec 2023	\$78,366	\$162,997	107.99%

OPEN 1-2 YEARS (OPENED BETWEEN JANUARY 1, 2024 AND DECEMBER 31, 2024) -22 FRANCHISED LOCATIONS		
Store #	Date Open	2025 Revenue
56	Jan 2024	\$318,734
57	Feb 2024	\$468,635
58	Feb 2024	\$520,093
59	Mar 2024	\$615,906
60	Apr 2024	\$336,496
61	May 2024	\$219,633
62	Jun 2024	\$231,243
64	Jun 2024	\$155,496
65	Jun 2024	\$276,691
66	Jun 2024	\$128,688
67	Aug 2024	\$587,256



68	Aug 2024	\$195,711
70	Sep 2024	\$280,261
71	Sep 2024	\$234,440
72	Oct 2024	\$313,310
73	Oct 2024	\$287,298
74	Nov 2024	\$188,023
75	Nov 2024	\$519,906
76	Nov 2024	\$314,462
77	Nov 2024	\$205,737
78	Dec 2024	\$107,672
79	Dec 2024	\$394,223

**Notes to Tables 1 and 2:**

1. “YOY Sales Growth” refers to the year-over-year calculation of the percentage change for the Net Revenue of each Hounds Town USA Business in the Reporting Group when comparing two calendar years.

**TABLES 3 AND 4:**

Tables 3 and 4 provide data regarding Daycare, Boarding, Spa, and Other Revenue as well as Daycare Occupancy, Boarding Occupancy, Total Occupancy, and Daycare Average Check, Boarding Average Check, and Average Check for the Reporting Group. Table 3 provides this data for the Affiliate Location for Calendar Year 2025, and Table 4 provides this data for the Franchised Locations in the Reporting Group for Calendar Year 2025.

**TABLE 3**

Annual Daycare, Boarding, Spa, and Other Revenue. Daycare, Boarding, and Total Occupancy with Average Check for the Affiliate Location in the Calendar Year 2025

<b>Category</b>	
<b>Store #</b>	<b>1</b>
<b>Date Open</b>	<b>Jan 2004</b>
<b>Net Revenue</b>	<b>\$1,028,511</b>
<b>Daycare Revenue</b>	<b>\$386,355</b>
<b>Boarding Revenue</b>	<b>\$458,773</b>
<b>Spa Revenue</b>	<b>\$143,610</b>
<b>Other Revenue</b>	<b>\$39,773</b>



<b>Daycare Occupancy</b>	<b>11,317</b>
<b>Boarding Occupancy</b>	<b>8,285</b>
<b>Total 2025 Occupancy</b>	<b>19,602</b>
<b>Daycare Average Check</b>	<b>\$34</b>
<b>Boarding Average Check</b>	<b>\$55</b>
<b>Average Check</b>	<b>\$52</b>



**TABLE 4**

Annual Daycare, Boarding, Spa, and Other Revenue with Daycare, Boarding, and Total Occupancy with Average Check for the Franchised Locations in the Reporting Group in the Calendar Year 2025

STORE #	DATE OPEN	NET REVENUE	DAYCARE REVENUE	BOARDING REVENUE	SPA REVENUE	OTHER REVENUE	DAYCARE OCCUPANCY	BOARDING OCCUPANCY	TOTAL 2025 OCCUPANCY	DAYCARE AVG CHECK	BOARDING AVG CHECK	AVERAGE CHECK
<b>OPEN 10 + YEARS - 1 FRANCHISED LOCATION</b>												
2	APRIL 2012	\$1,294,019	\$492,582	\$630,496	\$120,794	\$50,147	14,047	10,437	24,484	\$35	\$60	\$53
<b>OPEN 5+ YEARS - 11 FRANCHISED LOCATIONS</b>												
3	MARCH 2017	\$774,229	\$278,266	\$407,531	\$85,070	\$3,361	9,096	6,230	15,326	\$31	\$65	\$51
4	SEPT 2017	\$907,766	\$343,868	\$459,431	\$70,092	\$34,375	11,077	7,489	18,566	\$31	\$61	\$49
6	JULY 2018	\$862,557	\$311,878	\$471,951	\$52,403	\$26,325	10,409	8,684	19,093	\$30	\$54	\$45
7	APRIL 2019	\$1,032,679	\$456,285	\$476,896	\$58,036	\$41,462	13,332	9,635	22,967	\$34	\$49	\$45
8	APRIL 2019	\$1,359,016	\$577,260	\$667,707	\$93,985	\$20,063	11,220	15,190	26,410	\$51	\$44	\$51
9	OCT 2019	\$594,518	\$285,808	\$281,664	\$25,429	\$1,617	9,328	5,925	15,253	\$31	\$48	\$39
10	DEC 2019	\$840,892	\$375,277	\$387,032	\$55,836	\$22,748	12,460	7,384	19,844	\$30	\$52	\$42
11	JUNE 2020	\$508,658	\$150,267	\$268,547	\$72,782	\$17,062	6,477	5,539	12,016	\$23	\$48	\$42
12	JUNE 2020	\$591,247	\$170,446	\$353,087	\$57,164	\$10,551	6,343	7,938	14,281	\$27	\$44	\$41
14	NOV 2020	\$734,978	\$214,544	\$458,156	\$62,028	\$250	7,478	8,151	15,629	\$29	\$56	\$47
15	NOV 2020	\$1,063,330	\$443,505	\$466,211	\$129,910	\$23,704	14,549	9,213	23,762	\$30	\$51	\$45



STORE #	DATE OPEN	NET REVENUE	DAYCARE REVENUE	BOARDING REVENUE	SPA REVENUE	OTHER REVENUE	DAYCARE OCCUPANCY	BOARDING OCCUPANCY	TOTAL 2025 OCCUPANCY	DAYCARE AVG CHECK	BOARDING AVG CHECK	AVERAGE CHECK
<b>OPEN 3-5 YEARS - 22 FRANCHISED LOCATIONS</b>												
16	JAN 2021	\$783,081	\$266,758	\$414,356	\$81,005	\$20,961	8,568	7,950	16,518	\$31	\$52	\$47
17	MARCH 2021	\$554,680	\$155,656	\$362,372	\$24,269	\$12,383	4,260	5,576	9,836	\$37	\$65	\$56
18	JUNE 2021	\$577,071	\$201,401	\$318,207	\$45,935	\$11,529	7,233	5,775	13,008	\$28	\$55	\$44
19	AUG 2021	\$693,292	\$315,416	\$300,165	\$29,080	\$48,631	10,354	5,238	15,592	\$30	\$57	\$44
20	DEC 2021	\$1,231,060	\$455,726	\$597,318	\$133,325	\$44,692	13,178	9,261	22,439	\$35	\$64	\$55
21	DEC 2021	\$323,128	\$104,072	\$177,955	\$29,529	\$11,572	3,782	4,544	8,326	\$28	\$39	\$39
22	JAN 2022	\$539,219	\$256,166	\$220,478	\$58,750	\$3,825	8,616	4,752	13,368	\$30	\$46	\$40
23	FEB 2022	\$414,867	\$143,833	\$238,747	\$28,696	\$3,592	5,360	5,369	10,729	\$27	\$44	\$39
24	MARCH 2022	\$288,962	\$94,202	\$169,531	\$21,334	\$3,895	4,294	4,256	8,550	\$22	\$40	\$34
25	APRIL 2022	\$817,916	\$334,072	\$407,238	\$63,142	\$13,463	10,285	6,596	16,881	\$32	\$62	\$48
27	APRIL 2022	\$879,167	\$354,703	\$400,546	\$95,769	\$28,148	11,949	8,330	20,279	\$30	\$48	\$43
28	MAY 2022	\$659,101	\$146,274	\$441,797	\$43,522	\$27,508	5,119	8,436	13,555	\$29	\$52	\$49
29	MAY 2022	\$633,157	\$253,295	\$323,060	\$44,099	\$12,703	9,993	7,115	17,108	\$25	\$45	\$37
30	JUNE 2022	\$487,716	\$192,927	\$233,815	\$49,314	\$11,661	6,538	4,577	11,115	\$30	\$51	\$44
31	JUNE 2022	\$334,803	\$82,963	\$205,729	\$31,786	\$14,325	2,894	6,858	9,752	\$29	\$30	\$34
32	AUG 2022	\$376,477	\$132,441	\$210,446	\$22,478	\$11,110	3,788	3,591	7,379	\$35	\$59	\$51
33	AUG 2022	\$743,760	\$248,364	\$415,120	\$59,461	\$20,815	8,915	8,978	17,893	\$28	\$46	\$42
34	SEPT 2022	\$650,565	\$325,656	\$281,125	\$31,106	\$12,678	9,726	5,117	14,843	\$33	\$55	\$44
35	NOV 2022	\$427,281	\$157,058	\$247,968	\$21,089	\$1,166	5,432	4,657	10,089	\$29	\$53	\$42
36	NOV 2022	\$814,800	\$317,732	\$389,940	\$46,958	\$60,170	8,088	5,298	13,386	\$39	\$74	\$61
37	DEC 2022	\$465,383	\$124,666	\$291,120	\$42,014	\$7,583	4,266	6,055	10,321	\$29	\$48	\$45

