

|    | Provision                                                              | Section in Franchise Agreement | Summary                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----|------------------------------------------------------------------------|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| o. | Franchisor's option to purchase franchisee's business                  | Section 17.2                   | Upon termination of the Franchise Agreement, we have the option to purchase your vehicle, equipment, computer system, tools, signage, advertising materials, supplies, and inventory at your cost or fair market value, whichever is less, and assume all contracts.                                                                                                                                                                                                                                                                                                                                                                                     |
| p. | Death or disability of franchisee                                      | Sections 15.3, 15.4 and 15.7   | The Franchise Agreement will terminate upon your death or permanent disability, and the Franchise must be transferred within 6 months to a replacement franchisee that we approve.                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| q. | Non-competition covenants during the term of the franchise             | Section 18.5.1                 | You may not: divert, or attempt to divert, customers of any Pi Kitchen & Bath Shop business (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.                                                                                                                                                                                                                                  |
| r. | Non-competition covenants after the franchise is terminated or expires | Section 18.5.2                 | For 24 months after the termination of the Franchise Agreement, you may not: divert, or attempt to divert, customers of any Pi Kitchen & Bath Shop business (including yours) to any competitor, participate in any capacity, including, but not limited to as an owner, investor, officer, director, employee or agent, in any competing business within 20 miles of your Territory or the territory of any other Pi Kitchen & Bath Shop business, subject to applicable state law; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisee, subject to applicable state law. |
| s. | Modification of the agreement                                          | Sections 13.6 and 18.1.4       | No oral modifications. We may change the Operations Manual and System standards at any time. You may be required to implement these changes at your own costs. We have the right to modify our Marks at any time upon written notice to you.                                                                                                                                                                                                                                                                                                                                                                                                             |
| t. | Integration/merger clause                                              | Section 20.12                  | Only the terms of the Franchise Agreement and other related written agreements, such as any attachments to the Franchise Agreement or addenda, are binding (subject to applicable state law); Nothing in the agreement or in any related agreement is intended to disclaim the representations made in the Franchise Disclosure Document.                                                                                                                                                                                                                                                                                                                |
| u. | Dispute resolution by arbitration or mediation                         | Sections 19.1, 19.2, and 19.3  | At our option, claims that are not resolved internally may be submitted to non-binding mediation and arbitration in the state where our headquarters is located, subject to state law.                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| v. | Choice of forum                                                        | Section 19.5                   | Litigation takes place in Virginia (subject to applicable state law).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| w. | Choice of law                                                          | Section 19.5                   | Virginia law applies (subject to applicable state law).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

#### **ITEM 18: PUBLIC FIGURES**

We do not currently use any public figures 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.

As of the Issuance Date of this Disclosure Document, we have 12 affiliate-owned Pi Kitchen & Bath Shop businesses open and operating and no franchises. This financial performance representation is a historic representation based on the past performance of our affiliate-owned businesses.

The chart below represents the historical performance for the fiscal year 2025 of 9 of our affiliate-owned locations in Washington, D.C., Maryland, New Jersey, Pennsylvania, and Virginia. We have excluded 3 outlets that operate outside of our typical model and are not reflective of what a franchise location would experience. Besides the 3 excluded outlets, our affiliate-owned businesses operate in substantially the same manner and offer the same goods and services that our franchised outlets offer.

**Table No. 1**  
**Historical Financial Performance<sup>1</sup>**

|                                             | Store 1             | Store 2             | Store 3             | Store 4             | Store 5             |
|---------------------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                                             |                     |                     |                     |                     |                     |
| <b>Gross Revenue<sup>2</sup></b>            | \$2,651,977         | \$3,051,592         | \$1,012,939         | \$1,654,861         | \$1,300,984         |
|                                             |                     |                     |                     |                     |                     |
| <b>Cost of Sales</b>                        |                     |                     |                     |                     |                     |
| Materials Cost                              | \$938,579           | \$972,086           | \$298,958           | \$550,494           | \$284,699           |
| Subcontractor expense                       | \$926,256           | \$1,081,318         | \$266,976           | \$502,728           | \$502,766           |
| <b>Total Cost of Sales</b>                  | <b>\$1,864,835</b>  | <b>\$2,053,404</b>  | <b>\$565,934</b>    | <b>\$1,053,222</b>  | <b>\$787,465</b>    |
|                                             |                     |                     |                     |                     |                     |
| <b>Gross Profit</b>                         | <b>\$787,142</b>    | <b>\$998,189</b>    | <b>\$447,005</b>    | <b>\$601,640</b>    | <b>\$513,519</b>    |
|                                             | 30%                 | 33%                 | 44%                 | 36%                 | 39%                 |
| <b>Total Operating Expenses<sup>3</sup></b> | <b>\$220,252</b>    | <b>\$420,955</b>    | <b>\$272,579</b>    | <b>\$293,774</b>    | <b>\$276,019</b>    |
|                                             | 8%                  | 14%                 | 27%                 | 18%                 | 21%                 |
|                                             |                     |                     |                     |                     |                     |
| <b>Operating Profit</b>                     | <b>\$566,890</b>    | <b>\$577,234</b>    | <b>\$174,426</b>    | <b>\$307,866</b>    | <b>\$237,500</b>    |
|                                             | 21%                 | 19%                 | 17%                 | 19%                 | 18%                 |
|                                             |                     |                     |                     |                     |                     |
| Royalties                                   | \$145,858.72        | \$167,837.57        | \$60,776.36         | \$99,291.69         | \$78,059.04         |
| Brand Fee <sup>2</sup>                      | \$39,779.65         | \$45,773.88         | \$0                 | \$24,822.92         | \$19,514.76         |
| Tech Fee                                    | \$4,800.00          | \$4,800.00          | \$4,800.00          | \$4,800.00          | \$4,800.00          |
| <b>Total Franchisee Fees</b>                | <b>\$190,438.37</b> | <b>\$218,411.45</b> | <b>\$65,576.36</b>  | <b>\$128,914.61</b> | <b>\$102,373.80</b> |
|                                             |                     |                     |                     |                     |                     |
| <b>Adjusted Operating Profit</b>            | <b>\$376,451.62</b> | <b>\$358,822.21</b> | <b>\$108,849.37</b> | <b>\$178,950.91</b> | <b>\$135,126.40</b> |
|                                             |                     |                     |                     |                     |                     |

|                                             | Store 6             | Store 7             | Store 8             | Store 9             | Total<br>(9 stores)   |
|---------------------------------------------|---------------------|---------------------|---------------------|---------------------|-----------------------|
| <b>Gross Revenue<sup>2</sup></b>            | \$5,708,779         | \$1,306,207         | \$1,217,372         | \$1,743,925         | \$19,648,637          |
| <b>Cost of Sales</b>                        |                     |                     |                     |                     |                       |
| Materials Cost                              | \$1,579,858         | \$363,684           | \$337,535           | \$480,324           | \$5,806,217           |
| Subcontractor expense                       | \$1,899,147         | \$413,790           | \$326,859           | \$537,440           | \$6,457,280           |
| <b>Total Cost of Sales</b>                  | <b>\$3,479,005</b>  | <b>\$777,474</b>    | <b>\$664,394</b>    | <b>\$1,017,764</b>  | <b>\$12,263,497</b>   |
| <b>Gross Profit</b>                         | <b>\$2,229,774</b>  | <b>\$528,733</b>    | <b>\$552,978</b>    | <b>\$726,161</b>    | <b>\$7,385,140</b>    |
|                                             | 39%                 | 40%                 | 45%                 | 42%                 | 38%                   |
| <b>Total Operating Expenses<sup>3</sup></b> | <b>\$1,181,313</b>  | <b>\$250,158</b>    | <b>\$308,470</b>    | <b>\$433,974</b>    | <b>\$3,657,494</b>    |
|                                             | 21%                 | 19%                 | 25%                 | 25%                 | 19%                   |
| <b>Operating Profit</b>                     | <b>\$ 1,048,461</b> | <b>\$278,575</b>    | <b>\$244,508</b>    | <b>\$292,187</b>    | <b>\$3,727,646</b>    |
|                                             | 18%                 | 21%                 | 20%                 | 17%                 | 19%                   |
| Royalties                                   | \$228,351.16        | \$78,372.41         | \$73,042.34         | \$104,635.49        | \$1,036,224.77        |
| Brand Fee <sup>2</sup>                      | \$85,631.69         | \$19,593.10         | \$18,260.59         | \$26,158.87         | \$279,535.46          |
| Tech Fee                                    | \$4,800.00          | \$4,800.00          | \$4,800.00          | \$4,800.00          | \$43,200.00           |
| <b>Total Franchisee Fees</b>                | <b>\$318,782.85</b> | <b>\$102,765.51</b> | <b>\$96,102.93</b>  | <b>\$135,594.36</b> | <b>\$1,358,960.24</b> |
| <b>Adjusted Operating Profit</b>            | <b>\$729,677.95</b> | <b>\$175,809.15</b> | <b>\$148,405.38</b> | <b>\$156,592.46</b> | <b>\$2,368,685.44</b> |

<sup>1</sup>The chart below represents the Average Financial Performance for the fiscal year 2025 of 9 of our affiliate-owned locations in Washington, D.C., Maryland, New Jersey, Pennsylvania, and Virginia. We have excluded 3 outlets that operate outside of our typical model and are not reflective of what a franchise location would experience. Besides the 3 excluded outlets, our affiliate-owned businesses operate in substantially the same manner and offer the same goods and services that our franchised outlets offer.

<sup>2</sup> The brand fee will be waived for new franchisees during the initial 12 months of operations.

**Table No. 2**  
**Average Financial Performance**

|                                 | 9 Stores    |
|---------------------------------|-------------|
| <b>Average Unit Revenue</b>     | \$2,183,181 |
| <b>Average Gross Profit</b>     | \$820,571   |
|                                 | 38%         |
| <b>Average Operating Profit</b> | \$414,182   |
|                                 | 19%         |

|                                          |           |
|------------------------------------------|-----------|
|                                          |           |
| <b>Average Adjusted Operating Profit</b> | \$263,187 |
|                                          | 12%       |

The chart below represents the High, Low, and Average Ticket Value for the fiscal year 2025 of 9 of our affiliate-owned locations in Washington, D.C., Maryland, New Jersey, Pennsylvania, and Virginia. We have excluded 3 outlets that operate outside of our typical model and are not reflective of what a franchise location would experience. Besides the 3 excluded outlets, our affiliate-owned businesses operate in substantially the same manner and offer the same goods and services that our franchised outlets offer.

|                             |                 |
|-----------------------------|-----------------|
|                             | <b>9 Stores</b> |
| <b>Average Ticket Value</b> | \$41,984.27     |
| <b>Highest Ticket Value</b> | \$294,682.63    |
| <b>Lowest Ticket Value</b>  | \$8,273.38      |
| <b>Mean Ticket Value</b>    | \$27,935.38     |

Notes:

<sup>1</sup> This information has not been audited.

<sup>2</sup> Gross Revenue means all revenue less pass-through sales taxes and refunds to customers.

<sup>3</sup> Total Operating Expenses means all ordinary and recurring operating expenses.

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request.

**Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

Other than the preceding financial performance representation, 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, 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 Pi Kitchen and Bath Franchising LLC, 9715 Fairfax Boulevard, Fairfax, Virginia 22031 and (703) 794-5261, the Federal Trade Commission, and the appropriate state regulatory agencies.

## **ITEM 20: OUTLETS AND FRANCHISEE INFORMATION**

Table No. 1  
System-wide Outlet Summary  
For Years 2023 to 2025

| Outlet Type | Year | Outlets at the Start of the Year | Outlets at the End of the Year | Net Change |
|-------------|------|----------------------------------|--------------------------------|------------|
| Franchised  | 2023 | 0                                | 0                              | 0          |
|             | 2024 | 0                                | 0                              | 0          |
|             | 2025 | 0                                | 0                              | 0          |
|             | 2023 | 3                                | 7                              | +4         |