

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	16	Other than situations specified in the Franchise Agreement, mediation and then arbitration in the city in which our then-current headquarters is located (currently Boulder, Colorado).
v. Choice of forum	16.4	Subject to state law, the state in which our then-current headquarters is located (currently, Colorado).
w. Choice of law	16.4	Subject to state law, the law of the state where our then-current headquarters is located at the time.

Item 18

PUBLIC FIGURES

We currently do not use any public figures to promote the System. No compensation or other benefit is given or promised to any public figure arising from either the use of the public figure in the name or symbol of the Franchise or the endorsement or recommendation of the Franchise by the public figure in advertisements. There are no public figures involved in our management.

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 this 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.

In April 2020, our FC Affiliate transitioned its operations from a brick-and-mortar floor-covering store to a mobile showroom concept, which is substantially similar to the one offered here. The historical financial performance representations made here are based on the calendar years 2023, 2024, and 2025. We had two franchisees open in the middle of 2025. As their numbers cover less than 12 months, they have not been included in this Item 19

Our FC Affiliate’s territory covers approximately Boulder and Broomfield Counties, Colorado. The most recent census shows that Boulder and Broomfield Counties encompass approximately 219,000 Dwellings (which is the most recent data from 2024-2025). Though our FC Affiliate concentrates its business in Boulder County, it is not subject to any territorial limitation.

The table below represents the FC Affiliate’s “Gross Sales.” “Gross Sales” means the total of all revenue and income from the sale of all goods and services and related items sold to your Clients through the Business, whether received in cash, in services in kind, from barter or exchange, on credit (whether or not payment is received) or otherwise. To the extent that you have collected them, you may deduct from

Gross Sales all sales tax or similar taxes that, by law, are chargeable to Clients. You may also deduct from Gross Sales the amount of any documented refunds, returns, and allowances. It also shows their “Gross Profit.” “Gross Profit” means the Gross Sales minus the “Cost of Goods Sold.” Cost of Goods Sold represents the cumulative total of the direct costs incurred in delivering the services and flooring to the Client. It includes the cost of the carpet or other flooring materials, the direct labor cost associated with selling and then installing the flooring, and other direct expenses to the extent that they can be determined. All installers used by our FC Affiliate are independent contractors and not employees. It is expected that you will do the same in your Business. Our FC Affiliate now pays and will pay the same amount as you for flooring supplies such as carpet and wood-based products. This may change at any time in the future without notice to you.

HISTORICAL DATA (All figures rounded to the nearest dollar)

Reporting Period (Calendar Year)	Gross Revenue	Cost of Goods Sold	Gross Profit	Gross Profit Percentage
2023	\$3,002,293	\$1,731,811	\$1,270,580	42%
2024	\$2,067,310	\$1,168,975	\$898,335	43.5%
2025	\$2,433,670	\$1,304,976	\$1,128,694	46%
TOTAL	\$7,503,273	\$4,205,762	\$3,297,609	44%
AVERAGE	\$2,501,091	\$1,401,920	\$1,099,203	44%

Our FC Affiliate is not subject to a franchise agreement or Multi-Franchise Agreement Addendum and will not pay us the fees identified in this disclosure document, including Royalties, Digital Marketing Startup Fee, Digital Marketing Ad Spends, Market Management Fees, Local Advertising Administrative Fees, late fees, and default interest, and is not limited to a certain territory. Similarly, it is not subject to meeting any Vehicle requirements (though it currently owns and operates a Vehicle that substantially meets our standards) and is not subject to the Quota. Our FC Affiliate has been open for more than nine years, and its principals have over 30 years of experience in the flooring sales and installation business, which may be substantially greater than your experience.

Your Gross Sales depend on a wide range of factors, including the location of your Protected Territory, competition, consumer demand, general market conditions (including local, statewide, or national emergencies that may affect your business), and your marketing skills and sales efforts.

Gross Profit will depend on the above and other factors such as your cost of employees and contractors, the flooring type (wood products vs. carpet, for instance), and the fees charged to you for installation, and other factors.

Your individual results may differ. There is no assurance that you’ll earn as much.

You should carefully read and consider the explanatory notes provided above.

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

Except as stated here, we do not make any 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 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 Shaun Bezuidenhout at Floor Crafters USA Corp, 1188 Grove Court, Louisville, Colorado 80027, (720) 699-7230, the Federal Trade Commission, and the appropriate state regulatory agencies.

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OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
Systemwide Outlet Summary
for the years 2023 through 2025**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the end of the Year	Column 5 Net changes
Franchised	2023	0	0	0
	2024	0	2	+2
	2025	2	6	+4
Company Owned*	2023	1	1	0
	2024	1	1	0
	2025	1	2	+1
Total	2023	1	1	0
	2024	1	4	+2
	2025	3	8	+5

* “Company-Owned” includes the Business owned by our FC Affiliate

**Table No. 2
Transfer of Outlets From Franchisees to New Owners (Other than the Franchisor)
for the years 2023 through 2025**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
None	2023	0
	2024	0
	2025	0
Totals	2023	0
	2024	0
	2025	0

**Table No. 3
Status of Franchise Outlets
for the years 2023 through 2025**