

| Column 1<br>Provision                             | Column 2<br>Section        | Column 3<br>Summary                                                                                                                                                                                                                                                                                                                                                                  |
|---------------------------------------------------|----------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| t. Integration/merger clause                      | FA: § 20.6<br>MDA: § XII   | Only the terms of the Franchise Agreement or Multi-Unit Development Agreement are binding (subject to applicable state law). No other representations or promises will be binding, although nothing in the Franchise Agreement, Multi-Unit 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 | FA: § 19<br>MDA: § XXII    | All disputes must be mediated and, if necessary, arbitrated in the State of Texas, City of Dallas, except that Franchisor may seek injunctive and/or equitable relief to enforce the Franchise Agreement or Multi-Unit Development Agreement (subject to state law).                                                                                                                 |
| v. Choice of Forum                                | FA: § 19<br>MDA: § XXII    | All disputes must be brought in the State of Texas (subject to state law).<br>Certain states have laws that supersede the choice of forum in the Franchise Agreement and require that a lawsuit be brought in the state or federal courts in the franchisee's home state. See the State Addendum, Exhibit F.                                                                         |
| w. Choice of Law                                  | FA: § 20.1<br>MDA: § XVIII | Texas law shall apply to all disputes (subject to state law).<br>Certain states have laws that supersede the choice of law in the Franchise Agreement. See the State Addendum, Exhibit F.                                                                                                                                                                                            |

## **ITEM 18. PUBLIC FIGURES**

We do not use any public figure to promote our franchises.

## **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 any reasonable basis for the information, and if the information is included in the Disclosure Document. Financial information that differs from that included in Item 19 may only be given 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 circumstances.

The figures below represent the median and average revenue and net profit reported in accordance with the typical monthly royalty and occupancy reporting procedure for 2024 by Camp Bow Wow franchise

locations that satisfied the Reporting Criteria. Written substantiation for the financial performance representation will be made available to prospective franchisees on reasonable request.

The following charts include information regarding the total number of Camp Bow Wow franchise locations in the United States that met or exceeded all of the following criteria as of December 31, 2024 (“**Reporting Criteria**”): (a) operated in the United States under a Franchise Agreement; (b) had been open and continuously operating for at least 24 full months as of December 31, 2024; and (c) submitted all required reports under the Franchise Agreement during 2024 and operated in a Camp Site that is less than 9,000 square feet and contains up to approximately 80 cabins.

As of December 31, 2024, there were 222 Camp Bow Wow franchised locations open and operating in the United States under a Franchise Agreement (“**Franchise Group**”). Of this total, 148 locations met the Reporting Criteria and represent the reporting group for 2024 (“**Reporting Group**”).

As we have disclosed in Items 1, 7, 11 of this Disclosure Document, we have updated the standard prototype for the Camp Bow Wow Franchise offered under this Disclosure Document to decrease the overall square footage to approximately 6,000 square feet and can house up to 80 cabins (but only require 50 cabins to open). However, the reduction in square footage is mainly due to decreased size of the lobby/office/bathrooms area, decreased size of play yards and more efficient back-office layout. Generally, the updated prototype is substantially similar in terms of services offered, number of cabins available for rent and operational structure.

The median and average information was prepared from the records and reports, as reported by franchisees of each of the franchise locations satisfying the Reporting Criteria. Franchisor has relied solely on the information reported to us by franchisees. We do not know of an instance, nor do we have reason to believe, that any franchisee would misstate its information. However, these reports have not been audited and we have not independently verified these numbers.

**Some Camp Bow Wow Businesses have earned this amount. Your individual results may differ. There is no assurance you'll earn as much.**

## FINANCIAL RESULTS

The following Tables provide information regarding the average gross sales, Cost of Goods Sold, Labor, Rent & Facilities expenses, and all Other Operating expenses, owner’s compensation, and Total Franchise Owner’s Benefit, as defined below. Also shown are the percentage of locations that meet or exceed the average for each category.

“**Gross Sales**”, for purposes of this Item 19, means the total annual gross revenue for Camp Services, Dog Training Services, and any other Approved Products and Services as reported by franchisees to us through our designated financial reporting software, which revenue may be reported on cash basis or accrual basis accounting.

In addition to the average Gross Sales analysis, certain expenses expressed as a percentage of Gross Sales have been provided based on the experience of certain of the foregoing Camp Bow Wow Franchised Businesses described below. The expense figures were extracted from the 2024 financial statements submitted by the Camp Bow Wow Franchisees included in our 2024 Financial Benchmark Survey. You should note that with respect to the 148 Camp Bow Wow Franchises in the Reporting Group included in

the compilation of the expense figures, the expense data relates to operations conducted during the calendar year 2024.

Each percentage given on this analysis reflects the mean average or the median of the total percentages for the applicable expense item provided by the Camp Bow Wow Franchises in the Reporting Group (i.e., the aggregate sum of the expense percentages of all reporting Camp Bow Wow Franchises divided by the number of reporting Camp Bow Wow Franchises). The expense percentages for the various expense items provided by each Camp Bow Wow Franchises in the Reporting Group reflect that Camp Bow Wow Franchised Business's expenses as a percentage of its Gross Sales. No percentage given in this analysis is the actual expenses percentage experienced by any one Camp Bow Wow Franchised Business and the actual expense percentages for the reporting Camp Bow Wow Franchise on any expense item may vary significantly.

The following Tables provide information regarding the average gross sales, cost of goods sold, labor expense, Rent & Facilities, Other Operating Expenses, EBITDA, Owner's Compensation, and Total Franchise Owner's Benefit as defined below. Also shown are the percentage of locations that meet or exceed the average for each category. When determining the Top and Bottom 25% of locations based on Profitability, Camp Bow Wow uses Total Franchise Owner's Benefit.

The following expenses represent the major expense items for a Camp Bow Wow Franchise and should not be considered the only expenses that a Camp Bow Wow Franchise will incur:

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**Table 1**

The following is the average P&L for the Camp Bow Wow Franchises in the Reporting Group.

| 2024 Year-End Average & Median P&L for Expense Reporting Camp Bow Wow Locations (148 Locations) |              |            |         |            |                        |
|-------------------------------------------------------------------------------------------------|--------------|------------|---------|------------|------------------------|
|                                                                                                 | Mean Average | % of Sales | Median  | % of Sales | Exceeding Mean Average |
| <b>GROSS SALES</b>                                                                              | 993,149      | 100.0%     | 960,150 | 100.0%     | 64 / 43%               |
| <b>EXPENSES</b>                                                                                 |              |            |         |            |                        |
| COGS                                                                                            | 85,841       | 8.6%       | 78,872  | 8.2%       | 64 / 43%               |
| Labor                                                                                           | 457,198      | 46.0%      | 374,018 | 39.0%      | 65 / 44%               |
| Rent & Facilities                                                                               | 149,360      | 15.0%      | 145,293 | 15.1%      | 75 / 51%               |
| Other Operating Expenses                                                                        | 184,423      | 18.6%      | 149,426 | 15.6%      | 55 / 37%               |
| <b>EBITDA</b>                                                                                   | 116,327      | 11.7%      | 92,384  | 9.6%       | 66 / 45%               |
| Owner's Compensation                                                                            | 43,076       | 4.3%       | 76      | 0.0%       | 53 / 36%               |
| <b>Total Franchise Owner's Benefit</b>                                                          | 159,403      | 16.1%      | 151,729 | 15.8%      | 68 / 46%               |

-For 2024, of the 148 Camp Bow Wow Franchises in the Reporting Group, the high Gross Sales is \$1,977,249 and the low Gross Sales is \$381,269.

**Table 2**

The following is the average P&L for the Top 25% Camp Bow Wow Franchises in the Reporting Group based on profitability.

| 2024 Year-End Average & Median P&L for Top 25% on Profitability Camp Bow Wow Locations (37 Locations) |              |            |           |            |                        |
|-------------------------------------------------------------------------------------------------------|--------------|------------|-----------|------------|------------------------|
|                                                                                                       | Mean Average | % of Sales | Median    | % of Sales | Exceeding Mean Average |
| <b>GROSS SALES</b>                                                                                    | 1,294,862    | 100.0%     | 1,229,108 | 100.0%     | 14 / 38%               |
| <b>EXPENSES</b>                                                                                       |              |            |           |            |                        |
| COGS                                                                                                  | 105,939      | 8.2%       | 99,595    | 8.1%       | 14 / 38%               |
| Labor                                                                                                 | 552,006      | 42.6%      | 431,500   | 35.1%      | 14 / 38%               |
| Rent & Facilities                                                                                     | 150,950      | 11.7%      | 147,663   | 12.0%      | 19 / 51%               |
| Other Operating Expenses                                                                              | 209,020      | 16.1%      | 209,020   | 17.0%      | 14 / 38%               |
| <b>EBITDA</b>                                                                                         | 276,946      | 21.4%      | 251,762   | 20.5%      | 16 / 43%               |
| Owner's Compensation                                                                                  | 72,058       | 5.6%       | 29,371    | 2.4%       | 11 / 30%               |
| <b>Total Franchise Owner's Benefit</b>                                                                | 349,004      | 27.0%      | 320,830   | 26.1%      | 7 / 19%                |

- For 2024, the Top 25% of Camp Bow Wow Franchises in the Reporting Group consists of 37 Camps. Of those, the high Gross sales is \$1,977,249 and the low Gross Sales is \$836,551.

**Table 3**

The following is the average P&L for the Bottom 25% Camp Bow Wow Franchises in the Reporting Group based on profitability.

| 2024 Year-End Average & Median P&L for Bottom 25% on Profitability Camp Bow Wow Locations (37 Locations) |              |            |         |            |                        |
|----------------------------------------------------------------------------------------------------------|--------------|------------|---------|------------|------------------------|
|                                                                                                          | Mean Average | % of Sales | Median  | % of Sales | Exceeding Mean Average |
| <b>GROSS SALES</b>                                                                                       | 811,783      | 100.0%     | 805,177 | 100%       | 18 / 49%               |
| <b>EXPENSES</b>                                                                                          |              |            |         |            |                        |
| COGS                                                                                                     | 76,848       | 9.5%       | 66,175  | 8.2%       | 16 / 43%               |
| Labor                                                                                                    | 429,487      | 52.9%      | 369,834 | 45.9%      | 16 / 43%               |
| Rent & Facilities                                                                                        | 160,166      | 19.7%      | 148,498 | 18.4%      | 13 / 35%               |
| Other Operating Expenses                                                                                 | 158,456      | 19.5%      | 132,779 | 16.5%      | 15 / 41%               |
| <b>EBITDA</b>                                                                                            | (13,174)     | -1.6%      | (6,746) | -0.8%      | 20 / 54%               |
| Owner's Compensation                                                                                     | 19,824       | 2.4%       | -       | 0.0%       | 9 / 24%                |
| <b>Total Franchise Owner's Benefit</b>                                                                   | 6,650        | 0.8%       | 23,178  | 2.9%       | 31 / 84%               |

- For 2024, the Bottom 25% of Camp Bow Wow Franchises in the Reporting Group consists of 37 Camps. Of those, the high Gross sales is \$1,444,481 and the low Gross Sales is \$381,269.

#### Notes to the Tables:

1. Gross Sales means the total selling price of all services and products sold and accrued at, from, or through the Franchised Business whether for cash, check, debit, credit, or debit. Gross Sales does not include the amount of any applicable sales tax imposed by any federal, state, municipal or other governmental authority if such taxes are stated separately when the customer is charged, and the franchisee pays such amounts as and when due to the appropriate taxing authority. Also excluded from Gross Sales are the amount of any documented refunds, donations, credits, and tips.
2. COGS means Cost of Goods Sold. This category includes supplies specific to creating sales at the business including Kennel Supplies, Grooming Supplies, Retail Products. This category also includes the Royalty Fees that franchisees incur each month.
3. Labor Expense includes the wages and salaries of all management positions, camp counselor labor which includes front of house and back of house staff, groomers, trainers, marketing specialists, pet sitters, and bonuses and commissions given to staff.
4. Rent & Facilities includes Rent of buildings, equipment and any other fees associated with renting the location. Also included are all maintenance and utilities incurred for the building.
5. Other Operating Expenses captures all other expense accounts above the EBITDA line on the P&L including all marketing expenses, miscellaneous fees, professional services, credit card processing fees, travel & entertainment, insurance, and vehicle expenses.
6. EBITDA is defined as Earnings Before Interest, Taxes, Depreciation and Amortization. It is calculated by subtracting the COGS, Labor Expenses, Rent & Facilities and Other Operating Expense from Income. The EBITDA number excludes any debt service, federal income tax expense, state income tax expense, and interest expense.

7. Owner's Compensation are all salary items that an owner pays themselves and incurs as expenses on the P&L. Not all franchisees utilize this account and some prefer to account for an Owner's Draw through the Balance Sheet. Owner's Draw is not captured here.
8. Total Franchise Owner's Benefit is the net of EBITDA added to Owner's Compensation. This calculation is the basis for measuring Camp Bow Wow's profitability as it captures all expenses the business incurs except non EBITDA items like Depreciation, Amortization, Non Operating Income & Expenses, Interest Income & Expenses, and Income Tax.

**The Franchisor is unable to verify the accuracy of the expense information provided by Camp Bow Wow franchisees.**

Finally, you should particularly note the following:

**You are urged to consult with appropriate financial, business and legal advisors in connection with the information set forth in this analysis.**

**Substantiation of the data used in preparing this analysis will be made available upon reasonable request.**

Except for the representations above, 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 the Franchise Development Department at 2542 Highlander Way, Carrollton, Texas 75006, 214-346-5600, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

| <b>Table 1<br/>System-Wide Outlet Summary for Years 2022-2024</b> |             |                                         |                                                |                   |
|-------------------------------------------------------------------|-------------|-----------------------------------------|------------------------------------------------|-------------------|
| <b>Outlet Type</b>                                                | <b>Year</b> | <b>Outlets at the Start of the Year</b> | <b>Outlets at the End of the Year the Year</b> | <b>Net Change</b> |
| U.S. Franchised Outlets                                           | 2022        | 191                                     | 199                                            | +8                |
|                                                                   | 2023        | 199                                     | 212                                            | +13               |
|                                                                   | 2024        | 212                                     | 222                                            | +10               |
| International Franchised Outlets                                  | 2022        | 1                                       | 1                                              | 0                 |
|                                                                   | 2023        | 1                                       | 1                                              | 0                 |
|                                                                   | 2024        | 1                                       | 1                                              | 0                 |