

	Provision	Section in Franchise or Other Agreement	Summary
t.	Integration/Merger Clause	18(O)	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to federal and state law). Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. Nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u.	Dispute Resolution by Arbitration or Mediation	17(A) and (B)	Except for actions we bring for monies owed or injunctive relief, all disputes first will be subject to non-binding mediation in the county where our headquarters is located, then (if not resolved) to binding arbitration in the county where our headquarters is located (subject to applicable law).
V.	Choice of Forum	17(E)	Litigation (to the extent permitted) must be in state or federal court in the in the county where our headquarters is located at the time the suit is commenced (subject to applicable law). We also have the right to file suit where the Business is located (subject to applicable law).
w.	Choice of Law	17(D)	Laws of the state where the Business is located applies (subject to applicable law).

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote or manage our franchise.

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The Federal Trade Commission'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.

The financial performance representation below is a historic financial performance representation based on certain historical financial performance information experienced by our franchisees that have owned and operated their Touching Hearts® Business for at least one year as of December 31, 2025. There were 69 franchised Businesses operated by 55 franchisees as of December 31, 2025. Of the 69 franchised Businesses, 66 franchised Businesses were open a full year as of December 31, 2025, and these 66 franchised Businesses are the source of the data used in this Item 19. We have not audited or independently verified this information and do not know whether the information was prepared consistent with generally accepted accounting principles.

Table 1

Table 1 reflects average annual “Gross Revenues” (as defined below) information for all 66 franchised Businesses for calendar year 2025 that were open at least one year as of December 31, 2025 (the “Participating Franchised Businesses”). “Gross Revenues” means the aggregate amount of all sales of all Approved Services and related products and other services, whether for cash, on credit or otherwise, made or provided at or in connection with the Business. The term “Gross Revenues” does not include: (1) any federal, state, municipal or other sales, value added or retailer’s excise taxes you pay or accrue; or (2) adjustments for bona fide refunds, rebates or discounts approved by us. Gross Revenues are not adjusted for uncollected accounts.”

Statement of Annual Gross Revenues – All Participating Franchised Businesses				
Number of Franchised Businesses	Average Annual Gross Revenues	Number and Percentage of Franchised Businesses Above Average	Median Gross Revenues	Range
66	\$1,213,802	22 (33%)	\$1,018,557	\$113,095 to \$5,366,988

Table 2

Table 2 reflects average annual Gross Revenues information for the Participating Franchised Businesses by quartile for calendar year 2025.

Statement of Annual Gross Revenues for Participating Franchised Businesses By Quartile					
Quartile	Number of Franchised Businesses	Average Annual Gross Revenues	Number and Percentage of Franchised Businesses Above Average	Median Gross Revenues	Range
Top 25%	16	\$2,554,772	7 (44%)	\$2,300,240	\$1,746,584 to \$5,366,988
Upper Middle 25%	17	\$1,209,829	6 (35%)	\$1,142,620	\$1,019,513 to \$1,746,584
Lower Middle 25%	17	\$856,482	11 (65%)	\$945,943	\$545,677 to \$1,017,602
Bottom 25%	16	\$256,704	8 (50%)	\$273,861	\$113,095 to \$502,219

Table 3

The same-store sales growth figures below compare the Gross Revenues earned by franchised Businesses (by territory vs. franchise owner) over the course of a calendar year with the Gross Revenues earned by the same franchised Businesses during the prior calendar year. We used information from sales reports submitted by the franchised Businesses in calculating royalties, and data obtained from our franchisee scheduling and billing software. Same store sales for franchised Businesses open for at least 12 months is measured each year. Over the last 10 years, franchised Businesses in the Touching Hearts System have experienced same store sales growth that breaks down as follows:

Historic Same-Store Net Sales Growth Over Prior Year – Franchised Businesses

Period	Franchised Same-Store Sales Growth Over Prior Year	Total No. of Operating Franchised Businesses Whose Data Were Used	Total No. of Operating Franchised Businesses Existing During Period	No. and Percentage of Operating Franchised Businesses that Attained or Exceeded Avg.
2024-2025	+15%	66	69	27 / 41%
2023-2024	+11%	62	65	27 / 44%
2022-2023	+9%	60	65	27 / 45%
2021-2022	+14%	60	65	19 / 32%
2020-2021	+41%	58	69	19 / 33%
2019-2020	+18%	53	72	17 / 32%
2018-2019	+13%	47	68	25 / 53%
2017-2018	+28%	44	68	12 / 27%
2016-2017	+18%	37	57	19 / 51%
2015-2016	+35%	28	50	5 / 18%

Additional Notes Applicable to Tables 1 through 3 Above:

(1) All of the franchised Businesses (Participating Franchised Businesses) whose data were used in the tables above were open for at least a full year during the measured period. The franchised Businesses that were excluded from the tables above were not open for at least a full year during the measured period. There is no guarantee you will stay in business that long or that you will achieve the stated levels of same-store sales growth within that time period. In addition, many of the Participating Franchised Businesses represented in this Item 19 have been in business for more than 5 years. As a result, their results are likely to be significantly higher than a franchisee in its first year of operation.

(2) Sixteen franchisees operate more than one Business. In each of these situations, the Gross Revenues for each Participating Franchised Business was determined by dividing Gross Revenues reported by the franchisee by the number of Participating Franchised Businesses operated by the franchisee.

(3) The term “Gross Revenues” means all of the franchisee’s billings, whether or not collected, including cash sales and sales on account, monies billed for companion and ancillary services whether performed by the franchisee or subcontracted, monies billed in connection with trade or barter agreements, or monies billed for any other service performed using the Proprietary Marks, but does not include any bona fide refunds, rebates or discounts approved by us.

(4) The term “Average Gross Revenues” means the cumulative Gross Revenues of the number of Participating Franchised Businesses identified in each category divided by the number of Participating Franchised Businesses identified for that category. The term “Median Gross Revenue” means the Gross Revenue of the Participating Franchised Business lying at the midpoint of the total number of Participating Franchised Businesses identified in a category with the number of Participating Franchised Businesses having more Gross Revenue than the Median Gross Revenue equal to the number of Participating Franchised Businesses having less Gross Revenue.

(5) We recommend that you make your own independent investigation to determine whether or not to purchase this franchise and consult with an attorney and other advisors before signing any Franchise Agreement. You should conduct an independent investigation of the costs and expenses in operating a Business.

(6) Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

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

Other than the preceding financial performance representation, 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 Todd Trembl at 11100 Wayzata Boulevard, Suite 390, Minnetonka, MN 55350, (877) 870-8750, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NUMBER ONE
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
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Franchised	2023	65	65	0
	2024	65	65	0
	2025	65	69	+4
Total Outlets	2023	65	65	0
	2024	65	65	0
	2025	65	69	+4

* - The number of franchised and total outlets for 2023 in Tables 1 and 3 were adjusted from the previous FDD to reflect one additional outlet at the end of each of those years.

**TABLE NUMBER TWO
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2023 TO 2025**

State	Year	Number of Transfers
Colorado	2023	1
	2024	0
	2025	1
Illinois	2023	0
	2024	2
	2025	0