

s.	Modification of this agreement	11.1	The Franchise Agreement may only be modified by written amendment signed by both parties.
t.	Integration/merger clauses	11.1	The Franchise Agreement is the entire agreement between the parties. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, any other exhibits or amendments.
u.	Dispute resolution by arbitration or mediation	11.2	All disputes must be mediated, and then, if needed, litigated.
v.	Choice of forum	11.3	All actions must be commenced in the Courts of then-current State and County where our corporate headquarters is located (currently Camden County, New Jersey, or the United States District Court, District of New Jersey) (subject to applicable state law)
w.	Choice of law	11.3	New Jersey law applies (subject to applicable state law).

### **ITEM 18 PUBLIC FIGURES**

We do not use any public figure to promote 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 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.

#### **Section 1. Background**

As of December 31, 2025, there were twenty-seven More Space Place locations operating in the United States. Of these twenty-seven locations, one was company owned and twenty-six were franchisee owned. Of the twenty-six franchisee owned locations, sixteen met the following criteria to be considered representative of the franchise offered:

- a. Open for at least 1 year as of December 31, 2025;
- b. Operating for the full 12 months of 2025; and
- c. Operating from a dedicated retail showroom location staffed full time.
- d. Operating in a protected territory of at least 250,000 population

Ten of the franchisee owned locations are not representative because:

- a. Six of the locations manufactured the products sold rather than purchase them from our

affiliate’s manufacturing facility. This manufacturing model is no longer offered by this Disclosure Document;

- b. Two of the locations did not have dedicated showrooms as they were co-located and operated by our franchisees in conjunction with other non-competing businesses. This co-branded model is no longer offered by this Disclosure Document; and
- c. One of the locations operated without a full-time showroom for a portion of 2025.
- d. One of the locations operated in a protected territory of 156,000 population which is less than the minimum territory being offered.

The data provided in this Item 19 was provided by representative franchisees in response to a questionnaire which requested that they provide information regarding sales and certain key performance measurements for the year 2025. Eleven of the sixteen representative locations (68.8%) provided complete responses to the questionnaire. Those responses form the basis of the tables contained in this Item 19.

**Section 1. Gross Revenue (2025)**

Franchised Locations

This section represents the revenue results of eleven representative franchised More Space Place locations operating as of December 31, 2025. The characteristics that make them representative are described above.

The data presented in Table 1 below represents the Gross Revenue performance of those eleven franchised locations based on their response to the survey described above. The survey requested Gross Revenue on completed jobs and installation charges. Gross Revenue does not include work in progress or any deposits received on orders.

<b>Table 1 Gross Revenues 2025 Franchised Locations Open More Than 1 Year</b>	<b>2025</b>
Number of Franchised Locations	11
Average Gross Revenue	\$1,379,192
Highest Gross Revenue	\$1,610,235
Lowest Gross Revenue	\$937,186
Median Gross Revenue	\$1,414.933

During the year ended December 31, 2025 seven of the eleven franchised locations (63.6%) exceeded the average Gross Revenue of \$1,379,192.

## **Section 2. Key Performance Indicators**

### **Franchised Locations**

Each of our representative franchised locations was asked to provide information regarding certain key performance indicators for the 2025 calendar year. Tables 2 through 9 below represent the performance of the eleven franchised locations who responded to the survey described above.

Of the eleven responding representative locations, all eleven (100%) are owned by multi-territory franchise owners. Multi-territory franchise owners have an opportunity to benefit from shared resources such as advertising, rent, and personnel.

Tables 2 and 3 shows the figures for 9 locations as opposed to 11. One franchise owner who owns two territories, reported cost of goods sold which included inventory adjustments resulting from atypical events and were therefore excluded from these 2 tables. The tables represents the reported cost of goods sold for the remaining 9 representative locations.

<b>Table 2 Cost of Goods Sold 2025 Franchised Locations</b>	<b>Multi Territory Franchises</b>	<b>Total Responding Franchises</b>
Number of Locations	9	4
Average Cost of Goods Sold	\$519,968	
Highest Cost of Goods Sold	\$631,227	
Lowest Cost of Goods Sold	\$351,909	
Median Cost of Goods Sold	\$434,701	

<b>Table 3 Cost of Goods Sold as a Percentage of Gross Revenue 2025 Franchised Locations</b>	<b>Multi Territory Franchises</b>	<b>Total Responding Franchises</b>
Number of Locations	9	4
Average Cost of Goods Sold Percentage	37.7%	
Highest Cost of Goods Sold Percentage	39.2%	
Lowest Cost of Goods Sold Percentage	32.8%	
Median Cost of Goods Sold Percentage	37.3%	

<b>Table 4 Rent Expense 2025 Franchised Locations</b>	<b>Multi Territory Franchises</b>	<b>Total Responding Franchises</b>
Number of Locations	11	5
Average Rent	\$90,101	
Highest Rent	\$124,183	
Lowest Rent	\$57,983	

Table 5 shows the figures for 9 locations as opposed to 11. One franchise owner who owns two territories, reported payroll expense which included atypical amounts not relevant to the franchise being offered and were therefore excluded from this tables. The tables represent the reported payroll expenses for the remaining 9 representative locations.

<b>Table 5 Payroll Expense 2025 Franchised Locations</b>	<b>Multi Territory Franchises</b>	<b>Total Responding Franchises</b>
Number of Locations	9	4
Average Payroll Expense	\$401,963	
Highest Payroll Expense	\$474,195	
Lowest Payroll Expense	\$258,358	
Median Payroll Expense	\$428,520	

<b>Table 6 Staffing Levels 2025 Franchised Locations</b>	<b>Multi Territory Franchises</b>	<b>Total Responding Franchises</b>
Number of Locations	11	5
Average Staffing (number of employees)		
Installers	4.1	
Sales/Designers	2.1	
Administrative	1.4	
Warehouse	0.1	
Total Staff Count	7.7	
Highest Total Staff Count	11.5	
Lowest Total Staff Count	5.0	
<b>Median Total Staff Count</b>	<b>7.5</b>	

<b>Table 7 Payroll Expense as a Percentage of Gross Revenue 2025 Franchised Locations</b>	<b>Multi Territory Franchises</b>	<b>Total Responding Franchises</b>
Number of Locations	11	5
Average Payroll Expense Percentage	29.1%	
Highest Payroll Expense Percentage	33.5%	
Lowest Payroll Expense Percentage	26.6%	
Median Payroll Expense Percentage	27.6%	

<b>Table 8 Gross Revenue per Installer 2025 Franchised Locations</b>	<b>Multi Territory Franchises</b>	<b>Total Responding Franchises</b>
Number of Locations	11	5
Average Gross Revenue per Installer	\$337,185	
Highest Gross Revenue per Installer	\$471,644	
Lowest Gross Revenue per Installer	\$247,724	
Median Gross Revenue per Installer	\$354,227	

<b>Table 9 Gross Revenue per Sales/Designer 2025 Franchised Locations</b>	<b>Multi Territory Franchises</b>	<b>Total Responding Franchises</b>
Number of Locations	11	5
Average Gross Revenue per Sales Designer	\$645,673	
Highest Gross Revenue per Sales Designer	\$1,414,933	
Lowest Gross Revenue per Sales Designer	\$312,395	
Median Gross Revenue per Sales Designer	\$688,775	

**Notes to Tables 1 through 9**

1. “Gross Revenue” includes the total gross revenue derived by a franchisee from the operation of the Franchised Business whether from sales for cash or credit, including sales of both franchise products and services, and including installation charges, exclusive of all sales taxes, use taxes, gross receipts taxes and other similar taxes added to the sales price and collected from the customer, and less any bona fide refunds, rebates, and discounts.
2. Cost of Goods Sold represents the cost of components and completed products, including applicable inbound freight costs and taxes, used in the production and installation of the products sold and represented by Gross Revenues.
3. Cost of Goods Sold as a Percentage of Gross Sales is the mathematical result of dividing Cost of Goods Sold by Gross Revenue.
4. Rent Expense represents the amount paid for showroom, shop, and storage space including taxes and common area maintenance charges paid to landlords.
5. Payroll Expense represents salary and wage amounts paid to all employees. Owner compensation is not included.
6. Payroll Expense as a Percentage of Gross Revenue is the mathematical result of dividing Payroll Expense by Gross Revenue. Not all Payroll Expense is directly variable with Gross Revenue.
7. Staffing Levels represent the full-time equivalent headcount for each of the listed functions. Owners are included in Staffing Levels.
  - a. Installers are defined as the individuals who assemble, deliver and install the product in the customer’s home. Installers are generally paid hourly.
  - b. Sales Designers are the individuals who initially interact with the customer, determine their needs and tastes, design and sell the product to the customer. Sales Designers are generally paid on a salary plus commission basis
  - c. Administrative Employees include office staff, bookkeepers, and office managers. and management if applicable. Administrative Employees are generally paid on either an hourly or a salary basis, depending on their responsibilities.
8. Gross Revenue per Installer is a measure of installer productivity and effective staffing levels. Gross Revenue per Installer is the mathematical result of dividing Gross Revenue by the number of Installers.
9. Gross Revenue per Sales Designer is a measure of Sales Designer effectiveness and staffing levels. Gross Revenue per Sales Designer is the mathematical result of dividing Gross Revenue by the number of Sales Designers.

### **Section 3. Gross Revenues By Location**

Table 10 below represents 2025 Gross Revenues for the eleven representative franchisees as of December 31st of 2025.

<b>Table 10a Gross Revenues Multi-Territory Franchisees (Three Territories)</b>	<b>2025</b>
Number of Locations	3
Number of Franchisees	1
Franchisee 1 (3 Territories)	\$4,830,705

<b>Table 10b Gross Revenues Multi-Territory Franchisees (Two Territories)</b>	<b>2025</b>
Number of Locations	8
Number of Franchisees	4
Franchisee 1 (2 Territories)	\$3,158,776
Franchisee 2 (2 Territories)	\$2,829,865
Franchisee 3 (2 Territories)	\$2,479,591
Franchisee 4 (2 Territories)	\$1,874,372
Average Gross Revenue per multi-territory franchisee	\$2,585.651
Highest Gross Revenue per multi-territory franchisee	\$3,158,776
Lowest Gross Revenue per multi-territory franchisee	\$1,874,372
Median Gross Revenue per multi-territory franchisee	\$2,654,728
Number Exceeding Average	2
Percent Exceeding Average	50.0%

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

The information presented in this Item 19 is unaudited.

Written substantiation for the representations in this Item 19 will be made available to a prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Closets Unlimited of New Jersey, Inc. does 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, 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 Robert Lewis, 436 Commerce Lane, Suite D, West Berlin, NJ 08091, (856) 627-5700, the Federal Trade Commission and the appropriate state regulatory agencies.

**ITEM 20 OUTLETS AND FRANCHISEE INFORMATION**

**TABLE 1**

**System wide Outlet Summary for Fiscal Years Ended December 31, 2023, December 31, 2024 & December 31, 2025**

<b>MORE SPACE PLACE</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</b>	<b>Net Change</b>
FRANCHISED	2023	26	26	0
	2024	26	27	+1
	2025	27	26	-1
COMPANY-OWNED	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
TOTAL OUTLETS	2023	27	27	0
	2024	27	28	+1
	2025	28	27	-1

**TABLE 2**

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor) for Fiscal Years Ended December 31, 2023, December 31, 2024 & December 31, 2025**

<b>MORE SPACE PLACE</b>		
<b>State</b>	<b>Fiscal Year</b>	<b>Number of Transfers</b>
FLORIDA	2023	0
	2024	2
	2025	1
NEW HAMPSHIRE	2023	0
	2024	0
	2025	1
TEXAS	2023	0
	2024	0
	2025	1
TOTAL	2023	0
	2024	2
	2025	3