

Provision		Section in Franchise Agreement	Summary
			<p>the representations we made in the franchise disclosure document that we furnished to you.</p> <p>You are entering into the Franchise Agreement as a result of your own independent investigation of our franchised business and not as a result of any representations about us made by our shareholders, officers, directors, employees, agents, representatives, independent contractors or franchisees that are contrary to the terms contained in the Franchise Agreement, or in any disclosure document, prospectus, or other similar document required or permitted to be given to you as required by applicable law.</p> <p>Only the terms of the Franchise Agreement are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.</p>
u.	Dispute resolution by arbitration or mediation	Sections 22.6 and 22.7	The Franchise Agreement provides for mediation followed by binding arbitration of any dispute that might arise between us. The arbitration proceedings will be held in the city where our principal business office is located (currently, Alpharetta, Georgia). The Franchise Agreement also allows us to seek injunctive relief through the courts if property rights are to be protected. The injunctive relief proceedings will be held in the city where our principal business office is located, subject to applicable law.
v.	Choice of forum	Section 22.9	The arbitration and/or injunctive proceedings will be held in the city where our principal business office is located (currently, Alpharetta, Georgia). If we sue you for injunctive relief, we may do so in Alpharetta, Georgia as well as where you or the Franchised Business is located (subject to state law).
w.	Choice of law	Section 22.8	The laws of the State of Georgia.

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote the Franchised Businesses.

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.

Provided below is a historic financial performance representation for the period ending September 30, 2025, which is based on information reported to us from the franchisees.

General Description and Methodology

As of September 30, 2025, there were 49 FRSTeam facilities in operation in the US, two of which are company owned and operated facilities. 36 franchise facilities were open and in operation for at least 12 months as of September 30, 2025, 11 franchise facilities were opened during the prior fiscal year, and zero franchise facilities closed during the prior fiscal year. Six facilities began the period as company owned facilities and ended the period as franchise operated facilities, maintaining operational status throughout the transition. These six refranchised facilities are included in the 11 franchise openings. The financial performance in this Item is based on the Gross Revenue statements submitted by 42 U.S. franchised locations, two Canadian facilities, and two company locations.

Other than as specifically disclosed in this Item 19, we do not make actual, average, projected or forecasted sales, expenses, profits, cash flow or financial performance information available to prospective franchisees.

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

A. Gross Revenue for FRSTeam Franchisees for the 12 Months Ending September 30, 2025

The table below presents the Gross Revenue reported by 44 FRSTeam Franchises that operated the entire twelve-month period ending September 30, 2025 in the U.S. and Canada.

TOTAL GROSS REVENUE							
	#	Min	Max	Median	Average	#above average	% above average
Top Third	14	\$ 2,520,063	\$ 6,437,217	\$ 3,308,528	\$ 3,799,088	6	42.9%
Middle Third	15	\$ 1,087,810	\$ 2,340,396	\$ 1,466,423	\$ 1,655,533	6	40.0%
Bottom Third	15	\$ 235,869	\$ 1,080,518	\$ 812,932	\$ 728,591	9	60.0%
Total	44			\$ 1,456,737	\$ 2,021,571	18	40.9%

B. Gross Revenue for Company Owned FRSTeam Outlets for the 12 Months Ending September 30, 2025

The table below presents the Gross Revenue information for the two FRSTeam locations operated by the franchisor during the full twelve-month period ending September 30, 2025.

TOTAL GROSS REVENUE - COMPANY OWNED		
Company Store	State	Revenue
Custom Commercial - Hayward	CA	\$3,086,401
Custom Commercial - Fresno	CA	\$1,119,899



C. Benchmarking Study for FRSTeam Franchise Businesses for the 12 months Ending December 31, 2024

In 2025, we conducted a financial Benchmarking Study for FRSTeam franchisees. The Benchmarking Study was conducted solely on a voluntary basis and was offered only to franchisees who had been operating their FRSTeam franchises for at least twelve months at the time of the Benchmarking Study. As a result, five franchisees who joined the system in 2024 were ineligible to participate in the Benchmarking Study and three franchisees failed to provide sufficient reporting information to participate in the Benchmarking Study. Interested franchisees were required to submit their income statements for the year ending December 31, 2024 (“Benchmarking Reporting Period”). 26 reporting franchisees operating 31 Territories out of 36 (86%) FRSTeam franchised Territories as of December 31, 2024, participated in the Benchmarking Study (“Reporting Franchisees”). 24 of the 26 FRSTeam Reporting Franchisees were located in the United States and two were located in Canada. We have reviewed the composition of franchise participants and believe it contains a random, representative sampling of FRSTeam franchised Territories based on level of sales, years in the business and geography.

Part 1: Average Gross Revenue less Average COGS and Average Certain expense of Reporting Franchisees Operating for the 12 months ending as December 31, 2024

The Chart below reflects the average gross revenues, direct cost of revenues and certain expenses in the 2024 calendar year as reported by the 26 Reporting Franchisees. Four of the 26 reporting franchises contained in the chart below operate in multiple territories.

Gross Revenue less Cost of Revenue and Certain Operating Expenses	Average	% of Revenue
Gross Revenue	3,007,158	100.0%
Production Supplies	145,141	4.8%
Direct Labor and Services	710,889	23.6%
Other Costs of Revenue	25,051	0.8%
Total Cost of Revenue	881,081	29.3%
Gross Profit Margin	2,126,077	70.7%
Royalties	225,537	7.5%
Advertising & Marketing	40,935	1.4%
Automobile Expenses	86,923	2.9%
Bank Charges & Merchant Fees	11,447	0.4%
Insurance Expense	76,117	2.5%
Rent & Utilities	279,653	9.3%
Repairs & Maintenance	33,128	1.1%
Sales Commission Expense	35,645	1.2%
Salaries & Wages - Overhead	620,799	20.6%
Technology and Telephone	36,250	1.2%
Other Expenses	246,857	8.2%
Total Operating Expenses	1,693,291	56.3%
Gross Revenue less Cost of Revenue and Certain Operating Expenses	432,786	14.4%



“Average” means the respective amount is equal to the average amount generated or incurred by the 26 Reporting Franchisees that were open and operating on a full-time basis the twelve months ending December 31, 2024. “% of Revenue” is calculated by taking the respective amount and dividing it by the average Revenue.

“Gross Revenues” means all sales of services and products of every kind or nature performed, sold from, at or involving the facility’s operation or arising out of the facility’s operation or conduct of business, including all dues, fees, rents, rent security deposits or other assessments charged to and paid by Clients whether for cash or credit, but excluding all: (i) federal, state or municipal sales or service taxes collected from Clients and paid to the appropriate taxing authority; (ii) the amount of any cash refunds of any security deposit returned to a Client; and (iii) other exclusions as we authorize by prior written consent. Gross Revenues are deemed to have been received when the services or products from which they were derived are delivered or provided or at the time the relevant sale takes place, whichever occurs first, regardless of whether the Center has received the final payment (e.g., collection on a customer’s personal check).

The Gross Revenues figures above do not reflect other fixed and variable costs and expenses associated with operating the FRSTeam business, including the cost of sales, Monthly Branding Royalties, National Branding & Marketing Fees, salaries, automobile expenses, insurance costs and advertising and marketing expenses, which must be deducted from the Gross Revenues to obtain your net income or profit. You should conduct an independent investigation of your potential Gross Revenues and the costs and expenses you will incur in operating your FRSTeam business. The franchisees listed in this disclosure document may be a valuable source of some of this information.

The median Gross Revenue was \$1,985,849, with a high of \$8,809,347 and a low of \$699,352. 9 of the 26 Reporting Franchisees (or 35%) met or exceeded the average.

“Production Supplies” includes all products utilized in packing, moving and cleaning of fabrics, contents and electronics including boxes, bags, cleaning supplies and packaging materials. The median cost of Production Supplies was \$72,238, and 9 of the 26 Reporting Franchisees (or 35%) met or exceeded the average.

“Direct Labor and Services” is all direct labor costs including payroll, payroll taxes for technicians, pressers, cleaners, inventory crews that are performing the packing, moving and cleaning services. Direct Labor and Services does not include “Salaries & Wages Overhead” (as defined in Part 9 below) for managers, sales staff, and other employees. The Cost of Labor and Services does not include benefits or unemployment insurance. Direct Labor and Services may also include the costs of subcontracting to special repair service partners and outside vendors. The median Cost of Labor was \$481,511, and 11 of the 26 Reporting Franchisees (or 42%) met or exceeded the average.

“Other Cost of Revenue” includes all other products and services utilized in repairing and cleaning fabrics, contents and electronics other than Production Supplies and Direct Labor and Services and may include costs of managing claims with insurance companies. The median cost of Other Cost of Revenue was \$4,177, and 6 of the 26 Reporting Franchisees (or 23%) met or exceeded the average.

“Royalties” was calculated by first determining the amount of Royalty that each of the 26 Reporting Franchisees would have paid under this FDD and then taking the total average of such amount. The median cost of Royalties was \$148,939, and 9 of the 26 Reporting Franchisees (or 35%) met or exceeded the average.

“Advertising and Marketing” means the amount spent on advertising and marketing activities within their territories. The median Local Marketing Investment was \$13,615, and 8 of the 26 Reporting Franchisees (or 31%) met or exceeded the average.



“Automobile Expense” is reported vehicle related expenses including costs associated with operating service vehicles utilized by technicians to transport goods and people to homes for packing out damaged property for cleaning and storage and delivery of cleaned goods back to the homeowner. Costs include vehicle leases, fuel and vehicle maintenance. It does not include automobile insurance costs and if the Reporting Franchisees own the vehicle, it does not include depreciation expense associated with the vehicle. The median cost of Automobile Expense was \$60,224, and 9 of the 26 Reporting Franchisees (or 35%) met or exceeded the average.

“Bank Service Charges & Merchant Fees” means customary fees associated with maintaining a local banking relationship and accepting payment from customers via credit cards. The median cost Bank Service Charges & Merchant Fees was \$2,110, and 5 of the 26 Reporting Franchisees (or 19%) met or exceeded the average.

“Insurance” means the amount spent on insurance coverage policies required under this FDD. The median cost Insurance was \$42,824, and 7 of the 26 Reporting Franchisees (or 27%) met or exceeded the average.

“Rent & Utilities” include facilities rental expenses for warehouse, storage or office space and related utilities costs including electricity, water, gas or other utilities. The median cost of Rent and Utilities was \$160,593, and 11 of the 26 Reporting Franchisees (or 42%) met or exceeded the average.

“Repairs and Maintenance” includes costs of repairing equipment and property associated with cleaning, storing and transporting damaged property. The median cost of Repairs and Maintenance was \$13,543, and 11 of the 26 Reporting Franchisees (or 42%) met or exceeded the average.

“Sales Commission Expense” means the compensation paid for sales commission to certain sales related employees. The median cost Sales Commission Expense was \$0, and 11 of the 26 Reporting Franchisees (or 42%) met or exceeded the average.

“Salaries & Wages Overhead” means compensation paid to either part-time or full-time office administration, sales staff, operations managers, branch managers, or other employees to answer phones, conduct sales consultations, assist in scheduling, manage labor and subcontractors, provide customer service, help maintain data in the field services IT platform, and sometimes light bookkeeping. In some Reporting franchisees this may include owner’s compensation. The median Salaries & Wages Overhead costs were \$412,083, and 7 of the 26 Reporting Franchisees (or 27%) met or exceeded the average. You are solely responsible for determining the levels of compensation and benefits you give to your employees.

“Technology and Telephone” means the amount spend on licensing the technology platform for office and field devices, billing and accounting software and maintaining a telephone, internet or VOIP phone system. The median cost for Technology and Telephone was \$20,580, and 10 of the 26 Reporting Franchisees (or 38%) met or exceeded the average.

“Other Expense” means all other normal course operating expenses including bad debt, professional fees, business licenses, local business taxes, training and travel costs. The median cost of Other Expenses was \$175,797 and 1 of the 26 Reporting Franchisees (or 4%) met or exceeded the average.

“Gross Revenue Less Cost of Revenue and Certain Operating Expenses” means the average total Gross Revenue minus Production Supplies, Direct labor and services, Other costs of Revenue, Royalties, Advertising and Marketing, Automobile Expense, Bank Charges & Merchant fees, Insurance expense, Rent and utilities, Repairs and Maintenance, Sales Commission Expense, Salaries and Wages for overhead employees, Technology and Telephone, and Other operating expenses. This amount does not equal the average gross profit



of the 26 Reporting Franchisees that had been open and operating on a full-time basis for the 12 months ending December 31, 2024, as they each incurred additional costs and expenses that are not reflected in this Part 1.

Part 2: Gross Profit Margin for 2024 Calendar Year

This section presents Gross Profit Margin information reported by the Reporting Franchisees during 2024.

Gross Profit Margin							
	#	Min	Max	Median	Average	# above average	% above average
Top Third	9	83.0%	94.5%	89.9%	88.5%	6	66.7%
Middle Third	8	68.2%	78.6%	72.3%	72.3%	4	50.0%
Bottom Third	9	33.6%	64.4%	52.3%	51.4%	5	55.6%

The Gross Profit Margin is defined as “Gross Profit” divided by the Gross Revenues of the operation for the full year of 2024. Gross Profit is equal to Gross Revenue less the Cost of Production Supplies (defined in Part 3 below), Cost of Labor and Services (defined in Part 4 below) and Other Cost of Revenue (defined in Part 5 below).

Part 3: Cost of Production Supplies as a Percentage of Gross Revenue for 2024 Calendar Year

This section presents the Cost of Production Supplies (as defined below) as a percentage of Gross Revenue for the Reporting Franchisees during 2024.

Production Supplies % of Revenue					
	#	Min	Max	Median	Average
Top Third	9	0.0%	2.9%	1.9%	1.9%
Middle Third	8	3.0%	4.5%	3.6%	3.7%
Bottom Third	9	5.0%	17.1%	6.8%	8.7%

The Cost of Production Supplies as a Percentage of Gross Revenue is calculated by taking all “Cost of Production Supplies” divided by the total Gross Revenues. “Cost of Production Supplies” includes all products utilized in packing, moving and cleaning of fabrics, contents and electronics including boxes, bags, cleaning supplies and packaging materials.

Part 4: Cost of Direct Labor and Services as a Percentage of Gross Revenue for 2024 Calendar Year

This section presents the Cost of Labor (as defined below) as a percentage of Gross Revenue for the Reporting Franchisees during 2024.

Direct Labor and Services					
	#	Min	Max	Median	Average
Top Third	9	0.1%	13.7%	5.7%	5.5%
Middle Third	8	17.7%	28.3%	24.2%	23.9%
Bottom Third	9	28.5%	56.5%	42.8%	41.6%

The Cost of Direct Labor and Services as a Percentage of Gross Revenue is calculated by taking “Cost of Direct Labor and Services” divided by the total Gross Revenues. “Cost of Direct Labor and Services” is all direct labor costs including payroll, payroll taxes for technicians, pressers, cleaners, inventory crews that are performing the packing, moving and cleaning services. Direct Labor and Services does not include Salaries and Wages Overhead (as defined below) for office managers, sales staff, and other employees. The Cost of Labor and Services does not include benefits or unemployment insurance. Direct Labor and Services may also include the costs of subcontracting to special repair service partners and outside services.

Part 5: Other Costs of Revenue as a Percentage of Gross Revenue for 2024 Calendar Year

This section presents Other Cost of Revenue (as defined below) as a percentage of Gross Revenue for the Reporting Franchisees during 2024.

Other Costs of Revenue					
	#	Min	Max	Median	Average
Top Third	9	0.0%	0.0%	0.0%	0.0%
Middle Third	8	0.0%	0.6%	0.2%	0.2%
Bottom Third	9	0.7%	6.5%	1.5%	2.2%

The Other Costs of Revenue as a Percentage of Gross Revenue is calculated by taking “Other Costs of Revenue” divided by the total Gross Revenues. “Other Cost of Revenue” includes all other products and services utilized in repairing and cleaning fabrics, contents and electronics other than Production Supplies and Direct Labor and Services and may include costs of managing claims with insurance companies.

Part 6: Automobile Expense as a Percentage of Gross Revenue for 2024 Calendar Year

This section presents the Automobile Expense (as defined below) as a percentage of Gross Revenue for the Reporting Franchisees during 2024.

<u>Automobile Expenses</u>					
	#	Min	Max	Median	Average
Top Third	9	0.0%	2.3%	1.5%	1.1%
Middle Third	8	2.3%	3.5%	3.0%	2.9%
Bottom Third	9	3.8%	5.9%	4.4%	4.6%

The Automobile Expense as a Percentage of Gross Revenue is calculated by taking the Automobile Expense divided by the total Gross Revenues. “Automobile Expense” is reported vehicle related expenses including costs associated with operating service vehicles utilized by technicians to transport goods and people to homes for packing out damaged property for cleaning and storage and delivery of cleaned goods back to the homeowner. Costs include vehicle leases, fuel and vehicle maintenance. It does not include automobile insurance costs and if the Reporting Franchisees own the vehicle, it does not include depreciation expense associated with the vehicle.

Part 7: Insurance Expense as a Percentage of Gross Revenue for 2024 Calendar Year

This section presents the Insurance Expense (as defined below) as a percentage of Gross Revenue for the Reporting Franchisees during 2024.

<u>Insurance Expenses</u>					
	#	Min	Max	Median	Average
Top Third	9	0.0%	1.7%	0.6%	0.9%
Middle Third	8	1.7%	2.5%	2.2%	2.2%
Bottom Third	9	2.6%	7.4%	4.0%	4.5%

The Insurance Expense as a Percentage of Gross Revenue is calculated by taking the Insurance Expense divided by the total Gross Revenues. “Insurance” means the amount spent on insurance coverage policies required under this FDD.

Part 8: Rent and Utilities as a Percentage of Gross Revenue for 2024 Calendar Year

This section presents the Rent and Utilities (as defined below) as a percentage of Gross Revenue for the Reporting Franchisees during 2024.

<u>Rent & Utilities</u>					
	#	Min	Max	Median	Average
Top Third	9	0.0%	7.4%	4.1%	3.8%
Middle Third	8	7.6%	10.5%	8.1%	8.7%
Bottom Third	9	10.6%	20.0%	16.1%	15.4%

The Rent and Utilities as a Percentage of Gross Revenue is calculated by taking the Rent and Utilities Expense divided by the total Gross Revenues. “Rent & Utilities” include facilities rental expenses for warehouse, storage or office space and related utilities costs including electricity, water, gas or other utilities.

Part 9: Salaries and Wages Overhead as a Percentage of Gross Revenue for 2024 Calendar Year

This section presents the Salaries and Wages Overhead (as defined below) as a percentage of Gross Revenue for the Reporting Franchisees during 2024.

<u>Salaries and Wages - Overhead</u>					
	#	Min	Max	Median	Average
Top Third	9	0.0%	8.1%	4.3%	3.7%
Middle Third	8	10.5%	26.7%	20.8%	19.7%
Bottom Third	9	30.1%	66.7%	33.3%	38.5%

The Salaries and Wages Overhead as a Percentage of Gross Revenue is calculated by taking the Salaries and Wages Overhead Expense divided by the total Gross Revenues. “Salaries & Wages Overhead” means compensation paid to either part-time or full-time office administration, sales staff, operations managers, branch managers, or other employees to answer phones, conduct sales consultations, assist in scheduling, manage labor and subcontractors, provide customer service, help maintain data in the field services IT platform, and sometimes light bookkeeping. In some Reporting franchisees this may include owner’s compensation.

The financial information utilized in the benchmarking study was based entirely upon information voluntarily reported by the 26 FRSTeam Reporting Franchisees who participated in the benchmarking study, and none of this information has been audited or otherwise reviewed or investigated by us or by any independent accountant or auditing firm, and no one has audited, reviewed or otherwise evaluated this information for accuracy or expressed his/her opinion with regard to its content or form.

D. National Account Revenue as a Percentage of Total Account Revenue for the Twelve Months Ending September 30, 2025



The Franchisor, on behalf of its Franchisees and its Company owned operations, engages in national service contracts with certain Insurance Carriers (“National Accounts”) that refer homeowners claims to FRSTeam for restoration services. For the twelve-month period ending September 30, 2025, National Accounts partnerships generated \$40,951,999 of Gross Revenue or 45.5% of total Gross Revenue generated by the 44 franchisees who operated for the full twelve-month period.

The amount of Gross Revenue generated from National Accounts varies by franchisee depending on the specific carriers, number of policy holders and claims referred to each franchisee in their specific franchise territories. The table below shows the Average of Gross Revenue percentage of National Account revenue by Franchisee. The Gross Revenue percentage is calculated by dividing the National Account Revenue for each franchisee by the total Gross Revenue for each franchisee for the twelve-month period.

NATIONAL ACCOUNT REVENUE AS PERCENTAGE OF TOTAL REVENUE							
	#	Min	Max	Median	Average	#above average	% above average
Top Third	15	57%	94%	61%	67%	6	40%
Middle Third	14	43%	56%	52%	50%	8	57%
Bottom Third	15	1%	42%	37%	28%	10	67%
Total	44			52%	48%	23	52%

The two company owned stores generated \$3,523,037 or 83.8% of total revenue from National Accounts in the twelve-month period.

E. Gross Revenue by Category as a Percentage of Total Gross Revenue for the Twelve Months Ending September 30, 2025

The information below expresses the different categories of damaged contents that FRSTeam franchisees and Company Owned operations perform restoration services for a damage claim. The three primary categories include fabrics (e.g. clothes, bedding, draperies, etc.), electronics (e.g. televisions, computer equipment, stereo equipment, etc.) and hard contents (e.g. furniture and furnishings).

The mix of Gross Revenue between these categories by franchise location and company owned location varies. The percentage mix of gross revenue is calculated by dividing the Gross Revenue from each category by the total Gross Revenue for each franchise and company owned location.

REVENUE BY CATEGORY							
		Fabrics		Electronics		Contents	
Stores	#	Average	Median	Average	Median	Average	Median
Franchise Owned	44	57%	55%	15%	14%	28%	27%
Company Owned	2	31%	31%	14%	14%	55%	55%
Total	46	56%	54%	15%	14%	29%	28%

