

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	§ 15.3	Includes a two year prohibition similar to “q” above, (a) at the Approved Location, (b) within the Territory, (c) within a 25-mile radius of the Territory, or (d) within a 25-mile radius of the territory of any other Franchisees then-operating under the System.
s. Modification of the agreement	§ 21	Must be in writing signed by both parties.
t. Integration / merger clause	§ 21	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	§ 23.2	All disputes will be resolved by arbitration at the American Arbitration Association office located nearest our principal place of business (currently, Melbourne, FL), subject to applicable state law (except for injunctive relief). (see note below).
v. Choice of forum	§§ 23.2 and 23.3	The parties consent to venue in the federal or state courts in the county in which our corporate headquarters is located (currently Melbourne, FL), subject to applicable state law (see note below).
w. Choice of law	§ 23.1	The laws of Florida shall govern, subject to applicable state law. (see Note below).

Please refer to the disclosure addenda and contractual amendments appended to this Disclosure Document for any additional terms that may be required under applicable state law. These additional disclosures, if any appear in an addendum or rider in Exhibit L.

ITEM 18 **PUBLIC FIGURES**

We do not currently use any public figures to promote our franchise.

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 this Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet a franchisee is 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.

TABLE 1
GROSS SALES for KOALA INSULATION BUSINESSES FOR THE 12
MONTHS ENDING SEPTEMBER 30, 2025

The information provided below presents Gross Sales derived by certain Koala Insulation franchisees during the period between October 1, 2024 and September 30, 2025 (“2025 Fiscal Year Reporting Period”). There were 333 total territories as of September 30, 2025. The information provided in the table below was compiled from 76 franchisees that were operational during the entire 2025 Fiscal Year Reporting Period. These franchisees operated 324 franchise territories during the 2025 Fiscal Year Reporting Period. 69 of these 76 franchisees operated in more than one territory under multiple franchise agreements for the 2025 Reporting Period as follows: seven of the franchisees operated in two territories, 18 franchisees operated three territories, 19 franchisees operated four territories, seven franchisees operated five territories, six franchisees operated six territories, four franchisees operated seven territories, four franchisees operated in eight territories, one franchisee operated nine territories, one franchisee operated 10 territories, one franchisee operated 11 territories, and one franchisee operated 12 territories. Koala Insulation franchisees report Gross Sales to us for all of their territories on the same report. As a result, for the purposes of this Item 19, each of the 76 franchisees were considered to be one franchise even though some operate in more than one territory. Franchisees that operate multiple territories are required to provide aggregate data for all of their territories, and therefore, any of those existing businesses that acquired additional territories during the 2025 Fiscal Year Reporting Period were included in the data. The data excluded 106 territories that either commenced operations by a new franchisee during the 2025 Fiscal Year Reporting Period or ceased operations during the 2025 Fiscal Year Reporting Period.

TOTAL GROSS REVENUE							
	# of Franchisees	Min	Max	Median	Average	# above average	% above average
Greater than \$1.75M	19	1,758,103	4,298,645	2,204,929	2,407,791	9	47.4%
\$1.0M to \$1.75M	21	1,003,784	1,743,479	1,296,528	1,311,525	10	47.6%
\$750K to \$1.0M	16	751,878	993,124	917,785	896,297	9	56.3%
Less than \$750K	20	260,682	730,898	587,212	521,759	12	60.0%
Total	76			\$ 1,009,689	\$ 1,290,342	30	39.5%

The information provided in the table below was compiled from seven single-territory Koala Insulation franchisees that were operational during the Reporting Period. The data excludes 105 franchisees that were operational during the Reporting period but operated more than one Territory during the entire Reporting Period and report gross sales to us for all territories on the same report, and franchisees that either began operations or ceased active operations during the Reporting Period.

TOTAL GROSS REVENUE - SINGLE TERRITORY							
	# of Franchisees	Min	Max	Median	Average	# above average	% above average
Single Territory Franchisees	7	\$ 260,682	\$ 1,074,827	\$ 715,690	\$ 712,711	4	57.1%

The information provided in the table below was compiled from the 69 multi-territory Koala Insulation franchisees that were operational during the Reporting Period, each of which operate in more than one Territory under different Franchise Agreements. These 69 Koala Insulation franchisees reported Gross Sales to us for all territories on the same report. As a result, for the purposes of the table below, each of these 69 Koala Insulation franchisees was considered to be one franchisee even though they operate in more than one Territory.

TOTAL GROSS REVENUE - MULTI TERRITORY							
	# of Franchisees	Min	Max	Median	Average	# above average	% above average
Top Third	23	1,561,961	4,298,645	2,061,551	2,277,003	9	39.1%
Middle Third	23	906,013	1,548,623	1,087,475	1,153,449	9	39.1%
Bottom Third	23	269,262	895,535	629,513	616,375	12	52.2%
Total	69			\$ 1,009,689	\$ 1,290,342	30	43.5%

The Average Gross Sales figures presented above represent the total dollar value of insulation services sold during the Reporting Period by the Koala Insulation franchisees identified above.

TABLE 2 – 2024 Benchmarking Study for Koala Insulation Franchisee Businesses for the 12 months Ending December 31, 2024

In 2025, we conducted a financial Benchmarking Study for Koala Insulation franchisees. The Benchmarking Study was conducted solely on a voluntary basis and was offered only to franchisees who had been operating their Koala Insulation Businesses at least twelve months at the time of the Benchmarking Study. Fifteen franchisees who joined the system in 2024 were ineligible 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”). 73 reporting franchisees operating 304 territories (“Reporting Franchisees”), out of 343 eligible territories (87%) Koala Insulation franchised territories that were open as of December 31, 2024, participated in the Benchmarking Study. Each of the 73 Koala Insulation Franchisees were located in the United States. We have reviewed the composition of franchise participants and believe it contains a random, representative sampling of Koala Insulation 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 at Least Two Years as of December 31, 2024

While the information in Part 2 through 11 focus on expenses by the applicable Reporting franchisees that had been open and operating throughout 2024, this Part 1 presents information for those 56 Reporting franchisees operating in 249 territories that had been open and operating on a full-time basis for at least two full years as of December 31, 2024. Fifty-two of the 56 reporting franchisees contained in the chart below operate in multiple territories. The Chart below reflects the average revenues, certain costs and expenses in the 2024 calendar year by these 56 Reporting Franchisees.

REVENUE MINUS COGS AND CERTAIN MARKETING & OPERATING EXPENSES		
	Average	% of Revenue
Gross Sales	1,265,597	100.0%
Cost of Goods Sold		
Installer Wages	260,392	20.6%
Job Supplies	361,183	28.5%
Cost of Fuel and Other COGS	29,361	2.3%
Total Cost of Goods	650,936	51.4%
Gross Profit Margin	614,661	48.6%
Certain Marketing & Operating Expenses		
Royalties & National Brand Marketing Fund	78,280	6.2%
Advertising and Marketing	71,280	5.6%
Overhead Salaries and Wages	107,457	8.5%
Rent and Utilities Expense	38,824	3.1%
Small Tools, Equipment & Uniform Expense	13,079	1.0%
Vehicle Expense	26,666	2.1%
Bank Service Charges & Merchant Fees	17,084	1.3%
Insurance	39,014	3.1%
Licenses & Permits	215	0.0%
IT & Telephone	10,865	0.9%
	402,764	31.8%
Total Revenue Less Cost of Goods Sold and Certain Required Marketing & Operating Expenses	211,897	16.7%

*NOTE: Royalties & NBMF shown at the actual rates based on 2024 FDD

“Average” means the respective amount is equal to the average amount generated or incurred by the 56 Reporting Franchisees that were open and operating on a full-time basis for at least 24 months ending December 31, 2024. “% of Revenue” is calculated by taking the respective amount and dividing it by the average Gross Sales.

“Gross Sales” for purposes of this Table 2 means the total of all receipts derived from all sales of completed insulation projects. The median Gross Sales was \$1,054,869, with a high of \$4,462,521 and a low of \$243,843. Twenty-two of the 56 Reporting Franchisees (or 39%) met or exceeded the average.

“Installer Wages” is all gross wages paid to install staff, contractor and subcontractors but does not include processing fees, other costs, or Overhead Salaries and Wages Expense (as defined below). The median cost of Installer Wages was \$226,901, and 21 of the 56 Reporting Franchisees (or 38%) met or exceeded the average.

“Job Supplies” includes the insulation products(s) and consumable goods required to provide the services. This does not include any shipping costs or equipment rental costs. The median cost of Job Supplies was \$310,158, and 20 of the 56 Reporting Franchisees (or 36%) met or exceeded the average.

“Installer Fuel and Other COGS” includes fuel purchased for the truck used to pull the Koala Rig and fuel consumed by equipment on the Koala Rig. Other COGS include equipment rental costs, material dumping fees and the costs of job permits and fees. The median cost of Installer Fuel and Other COGS was \$23,156, and 20 of the 56 Reporting Franchisees (or 36%) met or exceeded the average.

“Royalties & National Brand Marketing Fund” was calculated by first determining the amount of Monthly Branding Royalty and National Brand Marketing Fund that each of the 56 Reporting Franchisees would have paid under this FDD and then taking the total average of such amount. The median cost of Monthly Branding Royalty and National Brand Marketing Fund was \$67,743, and 42 of the 56 Reporting Franchisees (or 75%) met or exceeded the average.

“Advertising and Marketing” is the amount of advertising and marketing services purchased by the franchisee in their local territories for lead generation. The median cost of Advertising and Marketing was \$57,758, and 22 of the 56 Reporting Franchisees (or 39%) met or exceeded the average.

“Overhead Salaries and Wages” means compensation paid to either part-time or full-time office administration staff to answer phones, respond to new customer inquiries, assist in scheduling, help maintain data in the field services IT platform, and sometimes light bookkeeping. Additionally, production management staff that manage insulation services. This does not include payroll taxes, employee benefits, or payroll processing fees. The median cost of Overhead Salaries and Wages was \$98,017, and 25 of the 56 Reporting Franchisees (or 45%) met or exceeded the average.

“Rent and Utilities Expense” is the amount spent on rent for office or warehouse space as well as any utilities costs for occupying those facilities. The median cost of Rent and Utilities was \$27,685, and 19 of the 56 Reporting Franchisees (or 34%) met or exceeded the average.

“Small Tools, Equipment & Uniform Expense” include installation tools such as hammer tackers, screwdrivers, construction supplies, personal protective equipment, removeable vacuum bags and staples, small equipment drills and ladders and uniforms. The median Small Tools, Equipment & Uniform Expense was \$7,224, and 18 of the 56 Reporting Franchisees (or 32%) met or exceeded the average.

“Vehicle Expense” include costs of parking, tolls, maintenance and vehicle leases, but does not include fuel or insurance. The median Vehicle Expense was \$19,376, and 19 of the 56 Reporting Franchisees (or 34%) 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 Bank Service Charges & Merchant Fees was \$14,503, and 20 of the 56 Reporting Franchisees (or 36%) met or exceeded the average.

“Insurance” includes the amount spent on insurance coverage policies required under this FDD. The median Insurance expense was \$29,143, and 19 of the 56 Reporting Franchisees (or 34%) met or exceeded the average.

“Licenses and Permits” means the amount spent on maintaining required licenses and permits to operate their Koala Insulation business. The median Licenses and Permits expense was \$0, and 11 of the 56 Reporting Franchisees (or 20%) met or exceeded the average.

“IT & Telephone” means the amount spent on licensing the field services technology platform for office and field devices and maintaining a VOIP phone system. The median IT & Telephone expense was \$7251, and 16 of the 56 Reporting Franchisees (or 29%) met or exceeded the average.

“Total Revenue Less Cost of Goods Sold and Certain Marketing & Operating Expenses” means the average total Revenue minus Installer Wages, Job Supplies, Cost of Fuel and Other COGS, Royalties & National Brand Marketing Fund, Advertising and Marketing, Rent and Utilities, Small Tools, Equipment and Uniform Expense, Vehicle Expense, Bank Service Charges & Merchant Fees, Insurance, License & Permits, and IT & Telephone. This amount does not equal the average gross profit of the 56 Reporting Franchisees that had been open and operating on a full-time basis for at least two years as of December 31, 2024, as they each incurred additional costs and expenses that are not reflected in this Part 1, including any compensation paid to either part-time or full-time office administration staff, sales personnel or operations management staff or compensation paid to the owner. You are solely responsible for determining the levels of compensation and benefits you give your employees.

Part 2: Gross Profit Margin for the 2024 Calendar Year

This section presents Gross Profit Margin information (as defined below) reported by the Reporting Franchisees during 2024.

Gross Profit Margin							
	#	Min	Max	Median	Average	# above average	% above average
Top Third	24	52.2%	79.5%	59.9%	60.4%	12	50%
Middle Third	25	42.0%	52.0%	46.6%	47.0%	12	48%
Bottom Third	24	25.1%	42.0%	38.1%	37.3%	15	63%

The “Gross Profit Margin” is defined as Adjusted Gross Profit divided by the Gross Sales of the operation for the full calendar year of 2024. “Adjusted Gross Profit” is equal to Gross Sales less the Cost of Job Supplies (defined in Part 3 below), Cost of Installer Wages (defined in Part 4 below) less the Cost of Fuel and Other COGS (defined in Part 5 below).

Part 3: Cost of Job Supplies as a Percentage of Gross Sales for the 2024 Calendar Year

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

Cost of Job Supplies as a percentage of Gross Sales

	#	Min	Max	Median	Average
Top Third	24	12.7%	25.9%	21.1%	20.1%
Middle Third	25	26.2%	31.8%	29.2%	28.9%
Bottom Third	24	31.9%	50.6%	37.4%	37.4%

The Cost of Job Supplies as a Percentage of Gross Sales is calculated by taking all “Cost of Job Supplies” divided by the total Gross Sales. Cost of Job Supplies includes the insulation product(s) and consumable goods required to provide the services. This line item does not include any shipping costs or equipment rental costs.

Part 4: Cost of Installer Wages as a Percentage of Gross Sales for the 2024 Calendar Year

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

Cost of Installer Wages as a percentage of Gross Sales

	#	Min	Max	Median	Average
Top Third	24	0.9%	16.3%	13.0%	11.7%
Middle Third	25	17.3%	24.4%	21.6%	20.9%
Bottom Third	24	24.5%	51.9%	27.8%	29.9%

The Cost of Installer Wages as a Percentage of Gross Sales is calculated by taking all Cost of Installer Wages divided by the total Gross Sales. “Cost of Installer Wages” include the gross wages paid to install staff, contractors, and subcontractors, but do not include payroll taxes, processing fees, or other costs. Cost of Installer Wages does not include wages paid to any other staff or the franchise owner.

Part 5: Cost of Fuel and Other COGS as a Percentage of Gross Sales for the 2024 Calendar Year

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

Cost of Fuel and Other COGS as a percentage of Gross Sales

	#	Min	Max	Median	Average
Top Third	24	0.0%	1.4%	0.5%	0.6%
Middle Third	25	1.4%	2.7%	2.0%	2.1%
Bottom Third	24	2.9%	6.4%	3.6%	3.8%

The Cost of Fuel and other COGS as a Percentage of Gross Sales is calculated by taking all Cost of Fuel and Other COGS divided by the total Gross Sales. “Cost of Fuel and Other COGS” includes fuel purchased for the truck used to pull the Koala Rig and fuel consumed by equipment on the Koala Rig. Other COGS include equipment rental costs, material dumping fees and the costs of job permits and fees.

Part 6: Insurance Expenses as a Percentage of Gross Sales for the 2024 Calendar Year

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

Insurance Expenses as a percentage of Gross Sales

	#	Min	Max	Median	Average
Top Third	24	0.5%	2.0%	1.7%	1.6%
Middle Third	25	2.1%	3.3%	2.7%	2.7%
Bottom Third	24	3.4%	8.7%	4.1%	4.5%

The Insurance Expenses as a Percentage of Gross Sales is calculated by taking all Insurance Expenses divided by the total Gross Sales. “Insurance Expenses” include the amount spent on insurance coverage policies required under this FDD.

Part 7: Rent and Utilities Expenses as a Percentage of Gross Sales for the 2024 Calendar Year

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

Rent and Utilities as a percentage of Gross Sales

	#	Min	Max	Median	Average
Top Third	24	0.0%	2.0%	1.0%	1.0%
Middle Third	25	2.0%	3.6%	2.7%	2.7%
Bottom Third	24	3.6%	8.4%	5.1%	5.3%

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

Part 8: Small Tools, Equipment, Supplies and Uniform Expenses as a Percentage of Gross Sales for the 2024 Calendar Year

This section presents the Small Tools, Equipment, Supplies and Uniform Expenses as a percentage of Gross Sales (as defined below) for the Reporting Franchisees during 2024.

Small Tools, Equipment, Supplies & Uniforms as a percentage of Gross Sales

	#	Min	Max	Median	Average
Top Third	24	0.0%	0.2%	0.1%	0.1%
Middle Third	25	0.2%	1.0%	0.4%	0.5%
Bottom Third	24	1.1%	5.1%	2.0%	2.3%

The Small tools, equipment, supplies and uniform Expenses as a Percentage of Gross Sales is calculated by taking all Small Tools, Equipment, Supplies and Uniform Expenses divided by the total Gross Sales. “Small Tools, Equipment, Supplies and Uniform Expenses” include installation tools such as hammer tackers, screwdrivers, construction supplies personal protective equipment, removeable vacuum bags and staples, small equipment drills and ladders and uniforms.

Part 9: Vehicle Expenses as a Percentage of Gross Sales for the 2024 Calendar Year

This section presents the Vehicle Expenses as a percentage of Gross Sales (as defined below) for the Reporting Franchisees during 2024.

Vehicle Expenses as a percentage of Gross Sales

	#	Min	Max	Median	Average
Top Third	24	0.2%	1.4%	0.8%	0.9%
Middle Third	25	1.4%	2.3%	1.9%	1.9%
Bottom Third	24	2.4%	10.6%	3.4%	3.8%

The Vehicle Expenses as a Percentage of Gross Sales is calculated by taking all Vehicle Expenses divided by the total Gross Sales. “Vehicle Expenses” include costs of parking, tolls, maintenance and vehicle leases, but does not include fuel or insurance.

Part 10: Advertising and Marketing as a Percentage of Gross Sales for the 2024 Calendar Year

This section presents the Advertising and Marketing expenses as a percentage of Gross Sales (as defined below) for the Reporting Franchisees during 2024.

Advertising and Marketing as a percentage of Gross Sales

	#	Min	Max	Median	Average
Top Third	24	0.6%	4.5%	3.1%	2.9%
Middle Third	25	4.5%	7.0%	6.3%	6.0%
Bottom Third	24	7.1%	29.1%	8.3%	9.8%

The Advertising and Marketing as a Percentage of Gross Sales is calculated by taking all Advertising and Marketing expenses divided by the total Gross Sales. “Advertising and Marketing” means the amount spent on advertising and marketing services by the franchisee in their local territories for lead generation.

Part 11: Overhead Salaries and Wages as a Percentage of Gross Sales for the 2024 Calendar Year

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

Overhead Salaries & Wages as a percentage of Gross Sales

	#	Min	Max	Median	Average
Top Third	24	0.0%	3.6%	0.0%	1.0%
Middle Third	25	3.9%	10.1%	6.2%	7.0%
Bottom Third	24	10.2%	42.4%	14.1%	15.8%