

	PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
			jurisdiction that is closest to Los Angeles, CA or the city and state where we have notified you in writing we have established our then-current corporate headquarters (subject to applicable state law).
w.	Choice of law	Section 21(A)	The Development Agreement is governed by the laws of the state of California without reference to this state's conflict of laws principles (subject to state law), except that: (i) any disputes or actions involving any non-competition covenants set forth in any agreement with us, including the interpretation and enforcement thereof, must be governed by the law of the state where the Store is located; and (ii) any franchise-specific or franchise-applicable laws of California, including those related to pre-sale disclosure and the franchise relationship generally, will not apply to this Agreement or franchise awarded hereunder unless the awarding of said franchise specifically falls within the scope of such California laws, regulations or statutes without reference to and independent of any reference to this choice of law provision (subject to state law).

**ITEM 18**  
**PUBLIC FIGURES**

We do not presently use any public figures 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 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 of a particular location or under particular circumstances.

Written substantiation for the financial performance representations made in this Item 19 will be made available to you upon reasonable request.

Some Bowie Barker Stores have earned these amounts. Your individual results may differ. There is no assurance you'll earn as much.

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TABLE 1  
ANNUAL GROSS SALES, COST OF GOODS SOLD, GROSS PROFIT, GENERAL EXPENSES, NET  
INCOME, IMPUTED ROYALTY FEES AND IMPUTED TECHNOLOGY FEES AT 1 OPERATING  
COMPANY BOWIE BARKER STORE DURING THE PERIOD MAY 1, 2023 THROUGH APRIL 30, 2024  
AND FROM MAY 1, 2024 THROUGH APRIL 30, 2025  
(NOTES 1 -7, 11)

	May 2023 - April 2024 Total	% of Gross Sales	May 2024 - April 2025 Total	% of Gross Sales
Gross Sales (Note 2)	\$770,973	100%	\$873,274	100%
Cost of Goods Sold (Note 3)				
Groomer & Bather Wages	\$262,304	34%	\$306,602	35%
ER Taxes and Workers Comp	\$32,480	4%	\$40,967	5%
Total Groomer/Bather Wages	\$294,784	38%	\$347,569	40%
Product Cost (Retail)	\$8,933	1%	\$5,526	0.6%
Grooming Supplies	\$10,893	1%	\$26,420	3%
Credit Card Fees	\$30,845	4%	\$27,744	3%
Total Cost of Goods Sold (Note 3)	\$345,455	45%	\$407,259	47%
Gross Profit (Note 4)	\$425,518	55%	\$466,015	53%
General Expenses (Note 5)				
Wages & Salaries				
Management	\$56,652	7%	\$57,000	7%
Front Desk	\$76,354	10%	\$75,208	9%
Benefits	\$5,400	0.7%	\$4,280	0.5%
Payroll/Recruiting	\$3,900	0.5%	\$8,527	1%
ER Taxes and Workers Comp	\$28,171	4%	\$23,518	3%
Total Wages & Salaries	\$170,477	22%	\$168,533	19%
Marketing	\$19,925	3%	\$27,213	3%
Other Expenses	\$46,336	3%	\$52,784	6%
Monthly Rent	\$78,158	10%	\$84,570	10%
Total General Expenses (Note 5)	\$314,895	41%	\$333,100	38%
Net Income (Note 6)	\$110,623	14%	\$132,915	15%
Imputed Royalty Fee	\$46,258	6%	\$52,396	6%
Imputed Technology Fee	\$12,000	2%	\$12,000	1%
Net Income After Deduction of Royalty Fee and Technology Fee (Note 7)	\$52,365	7%	\$68,519	8%

TABLE 2  
SOURCES OF ANNUAL GROSS SALES AT 1 OPERATING COMPANY BOWIE BARKER STORE  
DURING THE PERIOD MAY 1, 2023 THROUGH APRIL 30, 2024 AND  
FROM MAY 1, 2024 THROUGH APRIL 30, 2025  
(NOTES 1, 2, 8, 11)

	May 2023 - April 2024 Total		May 2024 - April 2025 Total
Gross Sales	\$770,973		\$873,274
Services	\$353,305		\$365,180
Memberships	\$399,490		\$493,676
Product Sales	\$18,178		\$14,418

TABLE 3  
MONTHLY MEMBERSHIP COUNT AT 1 OPERATING COMPANY BOWIE BARKER STORE  
DURING THE PERIOD JUNE 1, 2022 THROUGH APRIL 30, 2025  
(NOTES 1, 9, 11)

Month (Note 9)	Total Active Members (Note 9)	We Wash Members (Note 9)	You Wash Members (Note 9)
June 2022	156	125	31
July 2022	226	181	45
August 2022	275	220	55
September 2022	340	272	68
October 2022	400	320	80
November 2022	460	368	92
December 2022	499	399	100
January 2023	514	411	103
February 2023	549	439	110
March 2023	595	476	119
April 2023	639	511	128
May 2023	660	528	132
June 2023	675	540	135
July 2023	695	556	139
August 2023	715	572	143
September 2023	719	575	144
October 2023	747	598	149
November 2023	755	604	151
December 2023	772	618	154
January 2024	784	627	157
February 2024	789	631	158
March 2024	808	646	162

Month (Note 9)	Total Active Members (Note 9)	We Wash Members (Note 9)	You Wash Members (Note 9)
April 2024	825	660	165
May 2024	820	701	119
June 2024	822	685	137
July 2024	820	663	157
August 2024	802	627	175
September 2024	838	651	187
October 2024	880	687	193
November 2024	926	720	206
December 2024	922	727	195
January 2025	916	731	185
February 2025	931	747	184
March 2025	985	796	189
April 2025	985	799	186

TABLE 4  
AVERAGE AND MEDIAN EMPLOYEE SALARY  
AT 1 OPERATING COMPANY BOWIE BARKER STORE  
DURING THE PERIOD MAY 1, 2023 THROUGH APRIL 30, 2024 AND  
FROM MAY 1, 2024 THROUGH APRIL 30, 2025  
(NOTES 1, 10, 11)

May 2023 - April 2024			May 2024 - April 2025		
Employee (Note 10)	Average Salary (Note 10)	Median Salary (Note 10)	Employee (Note 10)	Average Salary (Note 10)	Median Salary (Note 10)
Bathers	\$18.91	\$19.07	Bathers	\$22.18	\$19.27
Groomers	\$26.50	\$27.00	Groomers	\$25.97	\$25.10
Front Desk	\$20.15	\$20.00	Front Desk	\$20.97	\$19.77
Manager	\$69,448	\$69,448	Manager	\$73,361	\$73,361

**NOTE 1:**

On April 30, 2025, there were a total of two Bowie Barker Stores owned and operated by the Operating Company (each, an “Operating Company Store”). Tables 1 to 4 include actual historical information we accumulated for the one Operating Company Store open and operating for the 12 months ending April 30, 2024 and the 12 months ending April 30, 2025. The Operating Company Store included in Tables 1 to 4 is located in Los Angeles, California and opened in May 2022. Tables 1 to 4 do not include the one Operating Company Store that opened during the fiscal year ended April 30, 2025, located in Culver City, California that was not open for a full year as of April 30, 2025. The operations of the Operating Company Store included in Tables 1 to 4 is similar to the franchise offered in this Disclosure Document.

The figures in Tables 1 to 4 are taken from reports submitted to us by the Operating Company on Gross Sales (as defined in Note 2), Cost of Goods Sold (as defined in Note 3), Gross Profit (as defined in Note 4), General Expenses (as defined in Note 5), Total Expenses (as defined in Note 6), and Net Income (as defined in Note 7). Percentages (%) represent that category's value as a percentage of Gross Sales. All figures and percentages in Table 1 have been rounded up or down to the closest thousandth.

NOTE 2:

Gross Sales means the aggregate of the total of all revenues derived from sales of any nature or kind whatsoever from the Operating Company Store. Gross Sales excludes tips received by employees, the amount of bona fide refunds paid to customers and the amount of sales or use taxes actually paid to any governmental authority.

NOTE 3:

Cost of Goods Sold means the Operating Company Store's expenses groomers' and bathers' wages, workers comp insurance for groomers and bathers, product cost, grooming supplies and credit card processing fees.

NOTE 4:

Gross Profit means Gross Sales less Cost of Goods Sold.

NOTE 5:

General Expenses means the Operating Company's other expenses related to the operation of the Operating Company Store (other than expenses for Costs of Goods Sold), including administrative wages for general manager and receptionists, health insurance and benefits, payroll and recruiting, workers comp insurance for general manager and receptionists, marketing, utilities, liability and property insurance, rent and other expenses (office supplies and linen expenses).

Certain General Expenses were incurred during the period from May 1, 2023 to April 30, 2024, but were adjusted downwards:

Total Repairs and Maintenance: \$21,569 was spent to fix a mold issue due to improper waterproofing around the grooming tubs and a renovation of the shop to add more square footage in the back of house. Both of these are not recurring expenses expected of a new Bowie locations. We estimate that Repairs and Maintenance could be \$150/month in Year 2 of operation.

Management Salary: the Operating Company paid its General Manager \$69,448 due to California minimum wage laws. It may or may not be necessary for you to have General Manager depending on how much time you spend managing your business. We allocated \$56,000 for a General Manager salary.

The Operating Company offers medical benefits to its part-time employees as required by California law. This cost the Operating Company \$16,376. We have removed these as you may not offer

benefits to part-time employees nor be legally required to. We included benefits for a General Manager, which you may or may not offer .

Marketing Expense: the Operating Company incurred \$19,925 in annual local marketing expenses. You may spend more on marketing than the Operating Company did.

The Operating Company incurred \$5,813 in overtime and meal break penalties that we removed from the payroll calculations in Table 1 as they are not typical of a franchisee expense.

Certain General Expenses were incurred during the period from May 1, 2024 to April 30, 2025, but were adjusted downwards:

The Operating Company offers medical benefits to its part-time employees as required by California law. This cost the Operating Company \$10,850. We have removed these as you may not offer benefits to part-time employees nor be legally required to. We included benefits for a General Manager, which you may or may not offer.

Management Salary: the Operating Company paid its General Manager \$73,361 due to California minimum wage laws. It may or may not be necessary for you to have General Manager depending on how much time you spend managing your business. We allocated \$57,000 for a General Manager salary.

Salaries: We have removed \$12,578 in wages incurred in the period that were improperly allocated to our West Hollywood boutique from our Culver City boutique.

Linen Costs: this cost the Operating Company \$13,822. We have removed this expense as other locations do not outsource their linen cost.

Marketing Expense: the Operating Company incurred \$27,213 in annual local marketing expenses. You may spend more on marketing than the Operating Company did.

#### NOTE 6:

Net Profit means the Operating Company's net earnings from the Operating Company Store, less Total Expenses.

#### NOTE 7:

Based upon the Gross Sales of the Operating Company Store, we imputed Royalty Fees that a franchisee would incur at 6% of Gross Sales and Technology Fees in the amount of \$12,000 (\$1,000 per month), which the Operating Company Store did not incur.

We have no reasonable basis to conclude that there will be material financial and operational differences between the Operating Company Store and operational franchised outlets, other than the Royalty Fees and Technology Fees that a franchisee would incur.

NOTE 8:

Table 2 shows three categories of sources of Annual Gross Sales: Services, Memberships and Products Sales.

NOTE 9:

We are a membership based business. Table 3 shows the total active members at our Operating Company Store from its first full month of operation, June 2022, through April 30, 2025. Our Operating Company Store offers "you wash" and "we wash" membership services. Under our "we wash" program, you will wash, dry and brush the dogs out for your customers, clip their nails, brush their teeth and clean their ears. Additional services you may provide include trims, de-shedding, and specialty shampooing and cuts. Under our "you wash" program, your customers will wash and dry their dogs themselves in your convenient dog tubs. Under this program, you will supply all the products and towels, however, your customers are also allowed to bring their own products and towels.

NOTE 10:

For purposes of Table 4, "Average Salary" for hourly employees (Bather, Groomer, Front Desk) means the aggregate hourly pay rate for each employee category divided by the total number of employees per category. The Operating Company's manager is a salaried position. For purposes of Table 4, "Average Salary" for a Manager means the aggregate annual salary for Managers divided the total number of Managers.

For purposes of Table 4, "Median Salary" for hourly employees (Bather, Groomer, Front Desk) means the midpoint dollar value for all hourly employees' hourly pay rate by category for the 12 months ending on April 30, 2024 and on April 30, 2025. Operating Company's manager is a salaried position. For purposes of Table 4, "Median Salary" for a Manager means the midpoint dollar value of the annual salary for all Managers divided the total number of Managers. The Median for a category with an odd number of data points will be the center number in that set. The Median for a category with an even number of data points is determined by taking the mean (average) of the two middlemost values in that category, which is calculated by adding those two values together and then dividing the aggregate by two.

NOTE 11:

Other than the preceding financial performance representation, we do 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 Franchisor's management by contacting Jeff Platt at 8149 Santa Monica Boulevard PMB 298, Los Angeles, California, 90046, 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 2023 TO 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised				
	2023	0	0	0
	2024	0	0	0
	2025	0	3	+3
Company-owned*				
	2023	1	1	0
	2024	1	1	0
	2025	1	2	+1
Total Outlets				
	2023	0	1	+1
	2024	1	1	0
	2025	1	5	+4

\*These Stores are owned and operated the Operating Company.

Table 2  
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS  
(OTHER THAN THE FRANCHISOR)  
FOR FISCAL YEARS 2023 TO 2025

State	Year	Number of Transfers
Total	2023	0
	2024	0
	2025	0

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