

Provisions		Article in Additional Territory Option Agreement	Summary
u.	Dispute resolution by arbitration or mediation	Sections 4.2 and 4.3	You must bring all disputes before FCI's President and CEO prior to bringing a claim before a third party. After exhausting this internal dispute resolution procedure, at our option, all disputes will be submitted first to non-binding mediation (subject to state law).
v.	Choice of forum	Section 4.4	Legal action must be in state or federal court in Georgia (subject to applicable state law).
w.	Choice of law	Section 4.1	Georgia law will apply (subject to applicable state law).

Item 18

PUBLIC FIGURES

We do not use any public figure 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 any reasonable basis for the information, and if the information is included in the disclosure document. Financial information that differs from that included in Item 19 may only be given 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.

Background

This Item sets forth certain historical data submitted by our franchisees. As set forth in each table below, this Item discloses certain information for each of the Reporting Franchisees, and not for discrete businesses or territories. Some Reporting Franchisees may own more than one business and/or operate in more than one territory. Written substantiation of the data used in preparing this information will be made available upon reasonable request. We have not audited this information, nor independently verified this information. The information is for the period of January 1, 2025, through December 31, 2025 (the "Measurement Period"). This Item presents certain information for our 218 US franchisees that were open for the full measurement period and excludes information from 91 franchisees that were not (i) open for the full measurement period, (ii) do not report using our current standard software, or use it inconsistently, and thus for whom we do not have complete sales data, or (ii) do not operate the franchise as a full-time venture.

Gross Revenue Installed, Gross Revenue Landed and Average Job Information

This Table presents the Gross Revenue Installed, Gross Revenue Landed and certain Job Information as reported to us by our 159 U.S. franchisees that were open and operating for more than 24 months as of December 31, 2024, and for whom we have complete sales data (the “Reporting Franchisees”). This table excludes franchises (a) who had not been open and operating for a full 24 months as of December 31, 2025, (b) for whom we do not have complete sales data, and (c) that do not operate the franchise as a full-time venture. For the purposes of this Item 19, a franchisee is deemed to have operated less than full time if the franchisee was not operating for at least one full calendar month during the Measurement Period. Data for startup Franchisees who were not open and operating for a full 24 months as of December 31, 2025, was excluded from this Table. The following table presents the average Gross Revenue Installed, Gross Revenue Landed and certain Job Information for the 159 Reporting Franchisees during the Measurement Period. We have broken down the data into five groups (each, a “Group”) based on the Reporting Franchisees’ Gross Revenue Installed, as further described below.

Gross Revenue Installed, Gross Revenue Landed and Average Job Information For Calendar Year 2025

Group by Average Revenue Installed	Number of Reporting Franchisees	Average Gross Revenue Installed	Average Gross Revenue Landed	Leads	Proposals	Average Job Size	Success Rate	Gross Margin %	Median and Number of Reporting Franchisees Meeting or Exceeding the Average
Top 10%	16	\$3,211,059	\$3,424,733	1,191	783	\$8,166	52%	45%	Rev. Installed: 6 (38%) Median: \$2,574,800 High: \$9,831,070 Low: \$2,034,607
									Rev. Landed: 6 (38%) Median: \$2,796,616 High: \$10,075,670 Low: \$1,901,709
									Leads: 5 (31%) Median: 981 High: 2,367 Low: 726
									Proposals: 6 (38%) Median: 673 High: 1,709 Low: 522

Group by Average Revenue Installed	Number of Reporting Franchisees	Average Gross Revenue Installed	Average Gross Revenue Landed	Leads	Proposals	Average Job Size	Success Rate	Gross Margin %	Median and Number of Reporting Franchisees Meeting or Exceeding the Average
									Job Size: 8 (50%) Median: \$8,434 High: \$9,830 Low: \$5,930 Success Rate: 6 (38%) Median: 50% High: 78% Low: 36% Gross Margin: 8 (50%) Median: 45% High: 49% Low: 40%
Top 25%	40	\$2,321,450	\$2,485,667	910	597	\$8,392	50%	45%	Rev. Installed: 11 (28%) Median: \$2,006,721 High: \$9,831,070 Low: \$1,442,301 Rev. Landed: 11 (28%) Median: \$2,095,973 High: \$10,075,670 Low: \$1,249,498 Leads: 13 (33%) Median: 810 High: 2,367 Low: 358 Proposals: 16 (40%) Median: 542 High: 1,709 Low: 238 Job Size: 18 (45%) Median: \$8,211 High: \$12,994 Low: \$5,042 Success Rate: 21 (53%) Median: 50% High: 78% Low: 34% Gross Margin: 23 (58%)

Group by Average Revenue Installed	Number of Reporting Franchisees	Average Gross Revenue Installed	Average Gross Revenue Landed	Leads	Proposals	Average Job Size	Success Rate	Gross Margin %	Median and Number of Reporting Franchisees Meeting or Exceeding the Average
									Median: 45% High: 50% Low: 39%
Top 50%	80	\$1,754,279	\$1,869,238	755	490	\$8,197	46%	44%	Rev. Installed: 27 (34%) Median: \$1,425,299 High: \$9,831,070 Low: \$1,005,249
									Rev. Landed: 29 (36%) Median: \$1,512,551 High: \$10,075,670 Low: \$856,378
									Leads: 31 (39%) Median: 652 High: 2,367 Low: 303
									Proposals: 29 (36%) Median: 427 High: 1,709 Low: 196
									Job Size: 34 (43%) Median: \$7,849 High: \$15,435 Low: \$4,967
									Success Rate: 39 (49%) Median: 45% High: 78% Low: 29%
									Gross Margin: 45 (55%) Median: 44% High: 50% Low: 37%
Bottom 50%	80	\$671,479	\$718,331	368	230	\$7,774	45%	44%	Rev. Installed: 44 (55%) Median: \$683,236 High: \$1,005,248 Low: \$253,717
									Rev. Landed: 40 (50%) Median: \$721,572

Group by Average Revenue Installed	Number of Reporting Franchisees	Average Gross Revenue Installed	Average Gross Revenue Landed	Leads	Proposals	Average Job Size	Success Rate	Gross Margin %	Median and Number of Reporting Franchisees Meeting or Exceeding the Average
									High: \$1,027,826 Low: \$287,393 Leads: 41 (51%) Median: 369 High: 809 Low: 28 Proposals: 36 (45%) Median: 226 High: 488 Low: 25 Job Size: 28 (35%) Median: \$7,244 High: \$21,161 Low: \$3,657 Success Rate: 38 (48%) Median: 43% High: 100% Low: 25% Gross Margin: 38 (48%) Median: 44% High: 52% Low: 33%
Bottom 25%	40	\$512,879	\$562,636	298	185	\$7,801	46%	44%	Rev. Installed: 22 (55%) Median: \$537,314 High: \$678,958 Low: \$253,717 Rev. Landed: 19 (48%) Median: \$547,592 High: \$1,019,785 Low: \$287,393 Leads: 20 (50%) Median: 302 High: 557 Low: 28 Proposals: 19 (48%) Median: 170 High: 336

Group by Average Revenue Installed	Number of Reporting Franchisees	Average Gross Revenue Installed	Average Gross Revenue Landed	Leads	Proposals	Average Job Size	Success Rate	Gross Margin %	Median and Number of Reporting Franchisees Meeting or Exceeding the Average
									Low: 25 Job Size: 11 (28%) Median: \$6,483 High: \$21,161 Low: \$3,657 Success Rate: 17 (43%) Median: 43% High: 100% Low: 26% Gross Margin: 25 (63%) Median: 45% High: 50% Low: 33%
Bottom 10%	16	\$376,369	\$413,339	299	191	\$5,962	39%	43%	Rev. Installed: 8 (50%) Median: \$373,296 High: \$468,093 Low: \$253,717 Rev. Landed: 9 (56%) Median: \$428,869 High: \$520,735 Low: \$287,393 Leads: 5 (31%) Median: 291 High: 453 Low: 82 Proposals: 7 (50%) Median: 178 High: 336 Low: 69 Job Size: 9 (56%) Median: \$6,005 High: \$8,263 Low: \$3,657 Success Rate: 8 (50%) Median: 37% High: 57% Low: 26%

Group by Average Revenue Installed	Number of Reporting Franchisees	Average Gross Revenue Installed	Average Gross Revenue Landed	Leads	Proposals	Average Job Size	Success Rate	Gross Margin %	Median and Number of Reporting Franchisees Meeting or Exceeding the Average
									Gross Margin: 11 (69%) Median: 43% High: 49% Low: 37%
All Reporting Franchisees	159	\$1,214,185	\$1,295,381	560	359	\$7,997	46%	44%	Rev. Installed: 57 (36%) Median: \$1,005,249 High: \$9,831,070 Low: \$253,717
									Rev. Landed: 54 (34%) Median: \$1,039,974 High: \$10,831,070 Low: \$287,393
									Leads: 69 (43%) Median: 512 High: 1,709 Low: 28
									Proposals: 69 (43%) Median: 320 High: 1,709 Low: 25
									Job Size: 69(43%) Median: \$7,607 High: \$21,161 Low: \$3,657
									Success Rate: 69 (43%) Median: 44% High: 100% Low: 25%
									Gross Margin: 92 (58%) Median: 44% High: 52% Low: 33%

Notes:

1. Gross Revenue Installed is defined as a franchisee's total sales invoices or other items or services billed to the customer for all "Completed Sales", less discounts, cancellations or returns

by FCI. Sales of products and services are deemed to be Completed Sales for purposes of reporting to FCI when the franchisee completes the final installation of all products or services sold to the customer. Due to the uneven number of Reporting Franchisees, the same franchisee appears as both the lowest Reporting Franchisee in the top 50% and the highest Reporting Franchisee in the bottom 50%.

2. Gross Revenue Landed is defined as Gross Revenue Installed (except as set forth below), plus the total sales invoices or services billed to customers for all ongoing jobs where franchisee has not yet completed final installation but has been engaged by the customer and has begun to provide the products and services requested. Specifically omitted from Gross Revenue Landed is any amount of Gross Revenue Installed from the provision of products or services which were ordered, invoiced or first billed for during the preceding calendar year (2024).

3. The Average Gross Revenue Installed and Gross Revenue Landed for each Group is defined as the sum of the Gross Revenue Installed/Landed of the Reporting Franchisees in each Group divided by the number of Reporting Franchisees in each Group.

4. Leads are all inquiries that the franchisee received from potential customers to provide the approved products and services.

5. Proposals are the number of estimates, bids and other proposals generated and delivered by a franchisee to provide products and/or services to customers.

6. Average Job Size is defined as the total Gross Revenue Installed of all jobs in each operating category divided by the number of jobs performed by franchisees in each operating category.

7. Average Success Rate is the average percentage of jobs landed over the number of first proposals.

8. Gross Margin is the percentage of profit in the jobs performed by franchisees, which is calculated by subtracting product and installation costs from revenue, dividing the result by revenue, and converting into a percentage.

9. As of December 31, 2025, twelve 12 Reporting Franchisees operated in two (2) or more discrete territories, and over one hundred (100) franchisees operate outside of their territories in areas that in many cases are as large as, or larger than, the total area served by franchisees operating in two separate territories. In addition, almost all of the Reporting Franchisees were awarded DMAs that are larger than a single unit's DMA offered in this disclosure document. The smallest Reporting Franchisee DMA was 77,844 single family homes and the largest was 741,705 single family homes. The average was 196,739 and the median DMA was 169,972 single family homes. 60 of the 159 Reporting Franchisees had DMA's larger than the average (38%).

Group By Average Revenue Installed (In Operation More than 2 Years)	Median/Average/High/Low DMA Size in Single Family Homes	Number of Franchisees Exceeding Average DMA Size in Group
Top 10%	304,592/312,798/627,431/149,749	7/16 (44%)
Top 25%	247,230/255,633/634,747/83,690	19/40 (48%)
Top 50%	172,085/219,542/741,705/83,690	26/80 (33%)
Bottom 50%	164,637/173,535/386,902/77,844	37/80 (46%)
Bottom 25%	154,812/165,766/314,614/102,685	17/40(43%)
Bottom 10%	155,406/158,407/211,523/109,221	8/16 (50%)

10. Certain Reporting Franchisees have been granted the right to perform services for residential jobs in which the aggregate contract amount exceeds \$50,000, or any other flooring services not specifically identified as Residential Services in this disclosure document, including but not limited to any flooring services for businesses or other commercial buildings, hotels or academic institutions (“Commercial Services”). See Item 12 for more information related to Commercial Services. Upon signing our Commercial Services Addendum, completion of our Commercial Training Program and satisfaction of such other conditions as we may require, you will be qualified to provide Commercial Services.

Certain Job Information – Start-Up and Mature Businesses

The following table presents the Average Job Size, Success Rate, and Gross Margin for 59 of our franchisees open less than two years but more than one year, and 159 of our franchisees open and operating for more than two years, as of December 31, 2025, that reported data in these categories to us. This table excludes franchises (a) who had not been open and operating for a full year as of December 31, 2025, (b) for franchisees who do not report using our current standard software, or use it inconsistently, and thus for whom we do not have complete sales data, and (c) that do not operate the franchise as a full-time venture.

Average Job Size, Success Rate, and Gross Margin For Calendar Year 2025

Years in Operation	Number of Franchises	Average Job Size	Success Rate	Gross Margin %	Median and Number of Reporting Franchisees Meeting or Exceeding the Average
Over 2 Years	159	\$7,997	46%	44%	Job Size: 69 (43%) Median: \$7,607 High:\$21,161

Years in Operation	Number of Franchises	Average Job Size	Success Rate	Gross Margin %	Median and Number of Reporting Franchisees Meeting or Exceeding the Average
					Low: \$3,657
					Success Rate: 69 (43%) Median: 44% High: 100% Low: 25%
					Gross Margin: 92 (58%) Median: 44% High: 52% Low: 33%
Less than 2 Years, But More than 1 Year	59	\$8,114	39%	42%	Job Size: 16 (27%) Median: \$7,063 High: \$41,095 Low: \$4,992
					Success Rate: 32 (54%) Median: 39% High: 63% Low: 138%
					Gross Margin: 35 (59%) Median: 42% High: 51% Low: 35%

This analysis does not contain information concerning operating costs or expenses.

Some outlets have sold these amounts. Your individual results may differ. There is no assurance you'll sell as much.

Other than the preceding financial performance representation, Floorcoverings International, Ltd. 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 Thomas Wood, Floorcoverings International, Ltd., 5390 Triangle Parkway, Suite 125, Norcross, Georgia 30092 and 800-955-4324, the Federal Trade Commission, and the appropriate state regulatory agencies.