

Provision	Section in Franchise Agreement	Summary
o. Our option to purchase your business	§ 14.10	Upon the expiration or Termination of your Franchise Agreement Term, we have the option to purchase your furnishings, equipment, material, or inventory at the lesser of fair market value or your book value, free of all liens and encumbrances. To exercise this option, we must notify you of our election within 30 days of expiration or termination, and must complete the purchase within 60 days after our notice to you.
p. Your death or disability	§§ 12.6 – 12.8	Your estate must transfer your interest in the Franchise to a third party we have approved within a year after death or six months after the onset of a disability.
q. Non-competition covenants during the term of the franchise	§ 15.2	Includes prohibition on engaging in any “Competitive Business,” which shall mean a business which offers windows or other construction related services.
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. Nothing in the Franchise Agreement or in any related agreement is intended to disclaim the representations made in the Disclosure Document.
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, Richmond, Virginia), 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 Richmond, VA), subject to applicable state law (see note below).
w. Choice of law	§ 23.1	The laws of Virginia 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.

We do not furnish or authorize our salespersons to furnish any oral or written information concerning the actual or potential sales, costs, income or profits of a company or affiliate-owned location of Franchise, except as stated below.

As of December 31, 2023, there was one company-owned outlet and 18 franchised outlets operating in 57 territories. The company-owned outlet began operating in 2022, has three Territories (a total population of approximately 600,000), and is substantially similar to the franchised business that we are offering in this disclosure document. The information disclosed in this Item 19 reflects historical information of the company-owned outlet during the 2023 calendar year. None of the franchise outlets were operational during the full 2023 calendar year, and therefore they have been excluded from the below charts.

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

TABLE 1

**2023 CALENDAR YEAR
REVENUE MINUS DISCLOSED COSTS**

This table sets forth historical revenue and certain operating expense information of the one company-owned Wallaby Windows business in 2023.

[Table 1 Begins on the Following Page]

	January - March 2023	% of Net Revenue	April - June 2023	% of Net Revenue	July - September 2023	% of Net Revenue	October - December 2023	% of Net Revenue	January - December 2023	% of Net Revenue
Net Revenue	¹ \$ 487,053	100.0%	\$ 731,491	100.0%	\$ 1,260,249	100.0%	\$ 857,169	100.0%	\$ 3,335,965	100.0%
Cost of Goods Sold										
Subcontractor / Installation	63,685	13.1%	102,612	14.0%	169,015	13.4%	126,072	14.7%	461,384	13.8%
Materials	221,902	45.6%	336,598	46.0%	632,729	50.2%	391,575	45.7%	1,582,805	47.4%
Permit Fees	5,888	1.2%	7,736	1.1%	13,895	1.1%	10,522	1.2%	38,041	1.1%
Sales Commission	² 31,869	6.5%	43,726	6.0%	43,268	3.4%	47,236	5.5%	166,101	5.0%
TOTAL Cost of Goods Sold	³ 323,344	66.4%	490,672	67.1%	858,906	68.2%	575,406	67.1%	2,248,331	67.4%
Gross Profit Margin	⁴ 163,709	33.6%	240,819	32.9%	401,343	31.8%	281,764	32.9%	1,087,635	32.6%
SG&A / Disclosed Expenses	⁵									
Royalties	24,353	5.0%	36,575	5.0%	63,012	5.0%	42,858	5.0%	166,798	5.0%
Brand Fund Contributions	4,871	1.0%	7,315	1.0%	12,602	1.0%	8,572	1.0%	33,360	1.0%
Contact Center Fees	7,306	1.5%	10,972	1.5%	18,904	1.5%	12,858	1.5%	50,039	1.5%
Advertising	34,357	7.1%	48,511	6.6%	41,608	3.3%	42,322	4.9%	166,798	5.0%
Finance Charge	5,313	1.1%	409	0.1%	-	0.0%	1,564	0.2%	7,286	0.2%
Credit card processing fees	455	0.1%	117	0.0%	82	0.0%	(179)	0.0%	476	0.0%
Auto Insurance	3,160	0.6%	7,633	1.0%	858	0.1%	1,166	0.1%	12,817	0.4%
General Liability Insurance	973	0.2%	973	0.1%	649	0.1%	2,435	0.3%	5,030	0.2%
Workman's Comp. Insurance	771	0.2%	5,372	0.7%	771	0.1%	33	0.0%	6,946	0.2%
Technology Fee	1,040	0.2%	1,040	0.1%	1,040	0.1%	1,040	0.1%	4,160	0.1%
Telephone Expenses	662	0.1%	727	0.1%	673	0.1%	696	0.1%	2,759	0.1%
Operating Expenses	3,574	0.7%	3,330	0.5%	6,682	0.5%	5,857	0.7%	19,443	0.6%
Vehicle Expenses	1,614	0.3%	2,271	0.3%	2,410	0.2%	2,453	0.3%	8,749	0.3%
Project warranty and repairs	570	0.1%	3,360	0.5%	1,169	0.1%	2,568	0.3%	7,666	0.2%
Salaries, Wages and payroll taxes	39,504	8.1%	57,365	7.8%	64,529	5.1%	62,673	7.3%	224,072	6.7%
TOTAL SG&A / DISCLOSED EXPENSES	128,524	26.4%	185,971	25.4%	214,990	17.1%	186,915	21.8%	716,400	21.5%
Net Revenue less total Cost of Goods Sold and total SG&A/Disclosed Expenses	¹⁴ \$ 35,185	7.2%	\$ 54,848	7.5%	\$ 186,353	14.8%	\$ 94,849	11.1%	\$ 371,235	11.1%

Notes:

1. Net Revenues are the value of any windows contract completed in the calendar year 2023 minus any discounts, credits or refunds applied plus any change order addenda. The figures contained in this Item 19 are based on Accrual Accounting methods. “Accrual Accounting” is an accounting method where revenue or expenses are recorded when a project is completed versus when payment is received or made.

2. Sales commissions of between 3% and 6% were paid to various employees throughout the calendar year. Your commission rates may vary depending on your own agreements with employees. These figures are not requirements nor recommendations.

3. Total Costs of Goods Sold is calculated by adding the direct costs of each completed construction job including subcontracted installation labor, equipment rental, materials including windows, doors and other construction material, permits and fees and sales commission. These are the expenses experienced by the location on which this Item 19 was based. You may incur additional direct costs not that are not included in this category. How and where you operate your business may affect how much and the type of direct costs you incur on a window projects.

4. Gross Margin: This amount is calculated by subtracting Total Cost of Goods Sold from Net Revenues.

5. SG&A / Disclosed Expenses: These selling, general, and administrative expenses are the amounts experienced by the reporting location and are provided as a reference. How and where you operate your business will affect some of these expense categories. (Worker’s compensation insurance rates are often set by your state and may vary, Sales Labor Admin and Management may be more or less in your market, etc.)

6. Royalties, Brand Fund contributions and Contact Center fees were not paid by the company-owned outlet in 2023, but the amounts shown represent the amounts outlined in this FDD for a franchise owned outlet.

7. Advertising expenses incurred by the company-owned outlet totaled \$123,373 during calendar year 2023. The amount of \$166,798 shown reflects a total marketing spend of 5% of net revenues. This amount is more in line with what a new franchise outlet would be likely to invest in marketing and advertising, and it may exceed the 5% of net revenues presented above especially in your first year of operations.

8. Finance Charges and Credit card processing fees: In some instances, you may work with consumer financing programs that require you to pay a fee to “buy down” the interest rate. Additionally, certain customers may ask to pay by credit card. These finance fees and discounts can affect your performance, and may be subject to changes based on changes in interest rates.

9. The Technology Fee includes the current \$80 weekly fee that a franchisee would have paid under this FDD.

10. Operating expenses include various normal operating expenses incurred by the company-owned location. Your results will vary based on your business' needs. Expenses in this line item include bank charges and fees, dues and subscriptions including those for certain software services, office supplies, travel, meals and entertainment expenses, postage and shipping, small tools and equipment and uniforms.

11. Vehicle expenses include the fuel, parking, tolls, repairs and maintenance for both sales vehicles and service vehicles. No vehicle lease expense was incurred by the company-owned location in 2023.

12. Project warranty and repairs includes the costs of materials and subcontracted labor to repair any customer project that is still under warranty.

13. Salaries, wages and payroll taxes reflect the compensation and employer payroll taxes paid to an administrative employee for the full year of 2023, an Operations Manager for the full year of 2023 and an Operations technician for a partial year beginning in May of 2023. Your compensation expense will vary based on your local market for similar roles or your specific staffing needs. These figures are not requirements nor recommendations.

14. Revenue Less Disclosed Costs: This amount is calculated by subtracting the Total SG&A / Disclosed Expenses and Total Cost of Goods Sold from Net Revenues. This figure is not a substitution for a net profit because that will vary based on your specific situation, debt service, entity structure, facilities requirements, etc. Some installations for jobs sold at the end portion of the reported year are not complete and not included here because, based on the Accrual Accounting method, those jobs will be recognized when they are complete in the next calendar reporting period.

TABLE 2
2023 AVERAGE ADVERTISING COST PER JOB

The below chart calculates the average advertising cost per job by taking the actual and adjusted total advertising expense for the reporting period and dividing that amount by the total number of jobs completed in the 2023 calendar year.

	2023 Result
Total number of jobs	206
Total reported Advertising cost ¹	\$123,373
Average reported advertising cost per job	\$598.90
Total adjusted advertising cost ²	\$166,798
Average adjusted advertising cost per job	\$809.70

Notes:

1. This reflects the actual advertising expenses incurred by the company-owned outlet during the 2023 calendar year.
2. This adjusted amount reflects a total marketing spend of 5% of the company-owned outlet's net revenues in 2023. This 5% of net revenues amount is more in line with what a new franchise outlet would be likely to invest in marketing and advertising, and it may exceed this amount in your first year of operations.

TABLE 3
TICKET PRICE COMPARISON - Calendar Year 2023

CALENDAR YEAR 2023	Ticket Value
Total number of jobs	206
<i>Average</i>	\$16,193.99
# and % above average	82 (39.8%)
<i>Median</i>	\$13,361.79
<i>Maximum</i>	\$193,308.18
<i>Minimum</i>	\$1,611.73

We recommend that you make your own independent investigation and that you consult with an attorney and other advisors prior to executing the Franchise Agreement.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representations, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 unit, 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 Scott Zide at 2426 Old Brick Road, Glen Allen, VA 23060, the Federal Trade Commission and the appropriate state agencies.

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