

Provision	Section in Franchise Agreement	Summary
t.	Integration/merger clause	Section 21.4 Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Nothing in any Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 20.1 and 20.2 At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters, subject to state law.
v.	Choice of forum	Section 20.3 Litigation takes place in Illinois, subject to applicable state law.
w.	Choice of law	Section 20.3 Illinois law applies, subject to applicable state law.

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

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 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.

This Item contains a historical financial performance representation of the outlet owned by our affiliate, Renovation Sells, LLC, located in Chicago, Illinois, as of December 31, 2023, our fiscal year end. This outlet operates partly out of a commercial office space and partly from the home an affiliate member. The results of our other affiliate, MV Construction, LLC, are not disclosed because the business model is different from the offering presented in this Disclosure Document. All financial information included in this Financial Performance Representation has been generated by using financial information provided in the bookkeeping systems.

Part 1. Sales and Expense Information

The following table summarizes the sales and expenses of our affiliate-owned location included in this Financial Performance Representation during the period January 1, 2022, to December 31, 2023.

Table I. Financial Performance of Affiliate Owned Location				
	2023 \$	2023 %	2022 \$	2022 %
Gross Sales	\$2,340,056	100%	\$ 2,110,904	100.0%
Cost of Goods Sold				
Labor	\$841,683	35.97%	\$975,048	46.19%
Materials	\$594,108	25.39%	\$480,247	22.75%
Gross Margin	\$904,265	38.64%	\$655,609	31.06%
Expenses				
General Manager Compensation	\$ 84,215	3.60%	\$ 0	0.00%
Advertising and Marketing	\$ 41,005	1.75%	\$ 29,207	1.38%
Labor - Indirect	\$ 23,357	1.00%	\$ 31,587	1.50%
Auto Expense	\$ 12,496	0.53%	\$10,930	0.52%
Professional Services	\$ 10,989	0.47%	\$8,576	0.41%
Insurance Expense	\$ 6,044	0.26%	\$6,435	0.30%
Office Expense	\$ 3,209	0.14%	\$2,842	0.13%
Telephone Expense	\$ 1,357	0.06%	\$1,273	0.06%
Bank and Financing Fees	\$ 1,264	0.05%	\$ 558	0.03%
Taxes and Licenses	\$375	0.02%	\$ 375	0.02%
Software Expenses	\$12,720	0.54%	\$8,124	0.38%
Gross Profit Less Disclosed Expenses	\$707,234	30.22%	\$555,702	26.33%
Less: adjustments for other recurring franchisee related expenses that will be incurred by you but that were not incurred by our Reporting Company Owned Outlet.				
R royalty	\$163,804	7.00%	\$147,763	7.0%
Brand Fund	\$23,401	1.00%	\$21,109	1.0%
Gross Profit Less Disclosed Expenses and Franchisee Related Expenses	\$520,029	22.22%	\$386,830	18.33%

¹ The figures in the above tables have not been audited.

² Gross Sales include all money received in the operation of the business, less sales taxes or other taxes collected from customers for transmittal to the appropriate taxing authority.

³ Cost of Goods Sold Labor consists of payroll and subcontractor payments to the craftsmen and laborers who performed the services represented by Gross Sales.

⁴ Cost of Goods Sold Material includes material and labor costs. Your costs may vary based upon your state as material costs may include sales tax paid for materials subject to state tax laws. In Some states, materials used for capital improvements are exempt from sales tax. For example, sales tax in Chicago, IL, where our affiliate is based, is 10.25% which may be higher or lower than your area, even if the materials are taxable in the state where your franchise is located, and therefore your costs may differ from these estimates. The accounting system does not segregate sales taxes and labor cost of sales, thereby making quantification difficult.

⁵ Gross Margin is the mathematical result of Gross Sales minus Total Cost of Goods Sold.

⁶ Advertising and Marketing represents expenditures advertise and promote the services offered by Renovation Sells, primarily via social media advertising on platforms such as Facebook, Google, and Houzz, as well as a variety of areas including print advertising, printed material, swag, local networking events and networking groups, and client entertainment including coffee, breakfast, lunch, and dinner outings.

⁷ Auto Expense represents the cost of one company vehicle including the monthly payment, fuel and maintenance.

⁸ Bank and Credit Card Fees represents the merchant services fees charged by our bank and credit card processing service.

⁹ Insurance expense includes business liability and workers compensation insurance.

¹⁰ Indirect Labor represents the wages paid to administrative operations employees to order material and create contracts as well as the employer taxes paid on those wages.

¹¹ Office Expense includes general office supplies, and computer related purchases such as toner cartridges.

¹² Professional Services Accounting represents the cost of an outside accountant and bookkeeper to maintain ledgers, prepare financial statements, and file tax returns.

¹³ Taxes and Licenses are amounts paid to for business related licenses including articles of incorporation fees.

¹⁴ Telephone represents the cost of telephone and mobile phone service for the business.

¹⁵ For our affiliate owned location, this amount represents the hypothetical Royalty, Fees our affiliate would pay under the Franchise Agreement. You will not pay any Brand Fund contributions until the System has 20 franchisees and they are not included in the above table. You are required to pay a fee to a third party for software. Our affiliate paid the same amount as you will pay to the same vendor. This amount is not hypothetical but is shown with the other franchise related costs for clarity.

¹⁶ Net Income includes Gross Sales, less cost of sales, expenses and franchise expenses not incurred by our affiliate.

The following table summarizes the gross sales of all franchised locations in this Financial Performance Representation during the period January 1, 2022, to December 31, 2023.

Table II. Gross Sales Data for Franchise Outlets Operational During the Same Period as Company-Owned Outlets

Location	Owners	2023 Sales	2022 Sales
Dallas	Sarah Dewart	\$427,630.00	\$118,970.00
Denver	Jason Maier	\$1,282,603.00	\$339,519.00
Naperville	Ryan LeBrun	\$367,100.00	\$536,725.00
Alpharetta	Limor Kolt	\$208,037	\$18,010.00
Charlotte	Will Allen	\$329,183	\$350,471.00
Houston North	Byron Stewart	\$286,885.00	\$0.00
San Antonio	Katie Edge	\$1,184,656.00	\$284,102.20
**Cincinnati	Lisa Masys	\$96,190.00	\$108,337.00
**Raleigh	Andy Betourne	\$129,245.00	\$14,285.50
Scottsdale	Keith Stanton	\$361,854.00	\$10,791.00
Richmond	Ryan Dey	\$305,212.00	\$36,310.00
St. Paul	Amanda & Seth Donatell	\$733,743.00	\$225,323.00
Austin	Jeremiah Diacogiannis	\$517,930.00	\$53,532.00
**Barrington	Terry & Meredith O'Brien	\$30,950.00	\$49,510.00
Lancaster	Chris & Christine Walton	\$343,515.00	\$125,083.00
Texas Hill	Tony Schenk	\$372,504.00	\$62,348.00
North Dallas	Justin Pate	\$363,600.00	\$108,231.00
North Atlanta	Kelly Prange	\$156,986.00	\$20,554.00
**Northbrook	Vanessa Zoerb	\$166,468.00	\$54,349.00
DC	Mike Washington & Popo	\$807,307.00	\$106,146.00
**Northern New England	Dave & Katee Barker	\$116,000.00	\$0.00
Grapevine	Rachel Rohlwing	\$44,216.00	\$49,575.00
**No. Cobb/Cherokee	Ike Parks	\$315,422.00	\$37,895.00
No. Colorado	Steve & Thalyta Swanson	\$507,260.00	\$0.00
**Northwest Detroit Metro	Mary Neumann	\$1,556.00	\$45,210.00
**Southern New England	Amy & Brian Nowak	\$123,669.00	\$0.00

East Bay	Chris Winston & Catherine Soupas	\$424,832.00	\$65,144.00
Chicagoland West	Jeff West	\$375,141.00	\$0.00
**Columbus	Jeff Spiker	\$144,330.00	\$0.00
**NW Minneapolis	Jim Guy	\$76,237.00	\$0.00
South Sound	Aly & DJ Cullinane	\$415,976.00	\$0.00
Chesapeake	Scott Dever***	\$0.00	\$0.00
Denver West	Tim Bock***	\$237,520.00	\$0.00
Southwest Minneapolis	Jason McBeth***	\$10,762.00	\$0.00
Jacksonville	Jamie Smith	\$0.00	\$0.00
Madison	Adam Erdmann***	\$46,399.00	\$0.00
Rockwall	Jerry Welch	\$173,296.00	\$0.00
Richardson/Garland	Melissa Yates & Kristen Wright***	\$0.00	\$0.00
North Phoenix	Brad McCaughey***	\$49,650.00	\$0.00
Houston West	Nicoletti		\$54,193.58
Total:		\$11,533,864.00	\$2,874,614.28

Part 2. Project Gross Sales

Table II. Average Project Gross Sales			
	2023	2022	YOY
Gross Sales	\$2,340,056	\$2,110,904	10.86%
Number of Projects	64	61	4.92%
Average Gross Sales per Project	\$ 36,563	\$ 34,606	5.66%
Highest Project Gross Sales	\$ 319,285	\$ 323,000	-1.15%
Lowest Project Gross Sales	\$ 2,950	\$ 2,500	18.00%
Median Project Gross Sales	\$ 24,950	\$ 26,150	-4.59%

Part 3. Cost of Goods Sold Components of Affiliate Owned Location

The following table presents the components of Cost of Goods Sold of our only affiliate owned location during the period January 1, 2023 to December 31, 2023. Cost of Goods Sold includes Labor and Materials.

Table III Cost of Good Sold Components of Affiliate Owned Location		
Category	2023	% of Total Cost
Drywall / Painting	\$ 228,538	15.92%

Tile	\$ 142,981	9.96%
Countertop Stone	\$ 119,337	8.31%
Electrical / Electrical Fixtures	\$ 112,831	7.86%
Flooring	\$ 110,796	7.72%
Plumbing	\$ 107,227	7.47%
Cabinet Painting	\$ 99,927	6.96%
Demo / Trash Removal / Cleanup	\$ 98,421	6.85%
Bathroom Materials	\$ 88,027	6.13%
Cabinets and Vanities	\$ 81,265	5.66%
Finished Materials	\$ 57,470	4.00%
Glass Shower Doors / Mirrors	\$ 52,726	3.67%
Carpet	\$ 31,228	2.17%
Tub / Tile Refinishing	\$ 22,940	1.60%
Interior Trim	\$ 21,725	1.51%
Framing	\$ 18,642	1.30%
Exterior	\$ 16,113	1.12%
Appliances	\$ 10,704	0.75%
Fireplace Tile	\$ 8,677	0.60%
HVAC	\$ 6,216	0.43%
Total	\$ 1,435,791	100.00%

Notes for Table III

1. These results are unaudited.
2. These results represent sales of products and services which will be available for franchisees to sell.
3. Our affiliate operates in a two territory market and the data above was achieved in an area comprising a population of approximately 827,000. Your results may vary depending on the size and characteristics of your territory. Other than the size of your territory and the hypothetical royalty and brand fund contributions disclosed above in Table 1, there are no material differences between our affiliate outlet and the outlet you will operate.
4. Cost of Goods sold component is inclusive of Labor and Materials

Part 4. Sales of Corporate Owned Location

The following table presents the Gross Sales of our only corporate owned location during the period January 1, 2023, to December 31, 2023.

Table IV Sales by Month - Chicago - Corporate		
Month	Gross Sales	% of Gross Sales
January	\$ 138,299	5.91%
February	\$ 143,704	6.14%

March	\$ 308,726	13.19%
April	\$ 109,385	4.67%
May	\$ 219,296	9.37%
June	\$ 206,304	8.82%
July	\$ 222,494	9.51%
August	\$ 220,762	9.43%
September	\$ 209,738	8.96%
October	\$ 207,325	8.86%
November	\$ 101,755	4.35%
December	\$ 252,268	10.78%
Total	\$ 2,340,056	100.00%

Part 5. Signed Contracts

The following table presents the total signed contracts of franchisee owned location as of December 31, 2023.

Signed Contracts by end of 2023 - Entire System			
	Average Revenue of each group	# of locations in each group	Avg length of time Open in months
Top 25%	\$ 710,978	7	18.5
Middle 50%	\$ 306,874	13	17.9
Low 25%	\$ 119,496	7	16.43
Open Less than 12 Months	\$ 160,175	11	7.18

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request. The information presented above has not been audited.

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

Other than the preceding financial performance representation, Renovation Sells Franchising, LLC 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 Michael Valente, Renovation Sells Franchising, LLC, 2370 N. Elston Avenue, Chicago, Illinois 60602, (773) 217-0581, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

Table No. 1