

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
		remedies) only in Texas. See <u>Exhibit J</u> – State-Specific Addenda.
w. Choice of law	Section 24.5.	Texas law governs. See <u>Exhibit J</u> – State-Specific Addenda

Note 1: Plan-based minimum performance criteria are set by third-party payors, public and private employers, union groups, associations, insurance companies, and health maintenance organizations. Performance criteria are based on clinical results. An example of a plan-based minimum performance requirement is the current Star Ratings run by the federal Centers for Medicare & Medicaid Services which focuses on SUPD and on minimum levels of “PDC,” a measure that assesses if a patient has a sufficient supply of medication on hand before the next refill date. The types of plan-based minimum performance measurements and the criteria applied by third-party payors to each measurement change all the time. Each public and private third-party payor publishes its own minimum performance criteria. The duty to meet all plan-based minimum performance criteria articulated by the public and private third-party payors, as these payors, requirements and standards may change, is a constant requirement of the Franchise Agreement as the failure of a HEALTH MART Drugstore to meet plan-based minimum requirements may harm the reputation and goodwill associated with the HEALTH MART brand. The Franchise Handbook identifies the specific performance criteria that we measure and explains information about the performance criteria. We will advise you of any changes in the measured minimum performance criteria through updates to the Franchise Handbook and provide you with a reasonable amount of time, typically 90 days, before we begin measuring performance for any new criteria that we add after you begin operations as a HEALTH MART Drugstore.

## **ITEM 18 PUBLIC FIGURES**

We do not currently use any public figure to promote our franchise, nor is there any public figure who is involved in any respect with the actual management or control of our company.

## **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.

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 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 our management by contacting Health Mart Franchise Administration at 6555 State Hwy 161, Irving, Texas 75039, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NO. 1**  
**SYSTEMWIDE OUTLET SUMMARY**  
**FOR FISCAL YEARS ENDING MARCH 31, 2023 - MARCH 31, 2025<sup>(1)</sup>**

<b>Column 1 Outlet Type</b>	<b>Column 2 Year</b>	<b>Column 3 Outlets At The Start Of The Year</b>	<b>Column 4 Outlets At The End Of The Year</b>	<b>Column 5 Net Change</b>
<b>Franchised</b>	2023	4689	4657	-32
	2024	4657	4543	-114
	2025	4543	4346	-197
<b>Company- Owned</b>	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
<b>Total Outlets</b>	2023	4690	4658	-32
	2024	4658	4544	-114
	2025	4544	4347	-197

Notes:

1. As of March 31, 2025, we had 2 HSRSAs, which are included in the total outlet count.

**TABLE NO. 2**  
**TRANSFERS OF OUTLETS FROM FRANCHISES TO NEW OWNERS  
(OTHER THAN THE FRANCHISOR)**  
**FOR FISCAL YEARS ENDING MARCH 31, 2023 - MARCH 31, 2025**

<b>Column 1 State</b>	<b>Column 2 Year</b>	<b>Column 3 Number Of Transfers</b>
<b>Alabama</b>	2023	0
	2024	6
	2025	9