

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.

SECTION A – SUMMARY OF 2024, 2023 AND 2022 INFORMATION

Below is average Net Sales and Gross Profit margins of all franchised Clothes® Mentor Stores in operation for the entire calendar year ended December 31, 2024, 2023 and 2022.

Summary of 2024, 2023 and 2022 Net Sales and Gross Profit Margin*				
Calendar Year	Average Net Sales	Median Net Sales	Average Gross Profit Margin	Median Gross Profit Margin
2024	\$780,059	\$729,053	67.1%	67.5%
2023	\$772,734	\$715,258	67.0%	67.9%
2022	\$744,166	\$694,355	67.6%	68.1%

*This is a summary of three years of system performance. Sections B, C, and D below contain detailed information for each calendar year.

SECTION B – 2024 INFORMATION

Section B, Tables 1-2 below includes average annual Net Sales and Gross Profit of all 106 franchised Clothes Mentor® Stores in operation for the entire calendar year ended December 31, 2024, divided into quartiles. The information below does not include information from 8 franchised Clothes Mentor® Stores that permanently closed in 2024 (none of which were open 12 months or less). It also does not include 6 franchised Clothes Mentor® stores that were temporarily closed in 2024 or 1 franchised Clothes Mentor® stores that opened in 2023. There were 113 Clothes Mentor® Stores in operation as of December 31, 2024.

SECTION B, TABLE 1 – 2024 AVERAGE NET SALES

In Section B, Table 1, the first quartile includes the average Net Sales of the 26 Stores with the highest Net Sales for the 2024 calendar year. The second quartile includes the average Net Sales of the 26 Stores with the second highest Net Sales for the 2024 calendar year. The third quartile includes the average Net Sales of the 27 Stores with the third highest Net Sales for the 2024 calendar year. The fourth quartile includes the average Net Sales of the 27 Stores with the lowest Net Sales for the 2024 calendar year.

SECTION B, TABLE 1				
Quartile	Number of Stores	Net Sales⁽¹⁾ Range	Average Net Sales	Median Net Sales
1⁽²⁾	26	\$983,140 – 2,092,667	\$1,268,157	\$1,208,110
2⁽³⁾	26	\$743,725 - \$977,966	\$858,588	\$837,115
3⁽⁴⁾	27	\$523,172 - \$730,021	\$636,253	\$653,535
4⁽⁵⁾	27	\$147,625 - \$522,735	\$378,226	\$378,998
Total⁽⁶⁾	106	\$147,625 - \$2,092,667	\$780,058	\$729,053

- (1) “Net Sales” means all revenues received from the sale of goods and services, whether for cash or by check, credit card or trade, in connection with the Store, less sales tax, and *after* coupons, discounts and returns.
- (2) Of the 26 Stores, 7 Stores (27%) met or exceeded the average Net Sales for the first quartile.
- (3) Of the 26 Stores, 11 Stores (42%) met or exceeded the average Net Sales for the second quartile.
- (4) Of the 27 Stores, 14 Stores (52%) met or exceeded the average Net Sales for the third quartile.
- (5) Of the 27 Stores, 14 Stores (52%) met or exceeded the average Net Sales for the fourth quartile.
- (6) Of the 106 Stores, 48 Stores (45%) met or exceeded the average Net Sales for all Stores.

SECTION B, TABLE 2 – 2024 AVERAGE GROSS PROFIT

In Section B, Table 2, the first quartile includes the average Gross Profit of the 26 Stores with the highest Gross Profit for the 2024 calendar year. The second quartile includes the average Gross Profit of the 26 Stores with the second highest Gross Profit for the 2024 calendar year. The third quartile includes the average Gross Profit of the 27 Stores with the third highest Gross Profit for the 2024 calendar year. The fourth quartile includes the average Gross Profit of the 27 Stores with the lowest Gross Profit for the 2024 calendar year.

SECTION B, TABLE 2						
Quartile	Number of Stores	Gross Profit ⁽¹⁾ Range	Average Gross Profit	Median Gross Profit	Average Gross Profit Margin	Median Gross Profit Margin
1⁽²⁾	26	\$631,654 - \$1,433,544	\$844,195	\$791,031	66.81%	67.13%
2⁽³⁾	26	\$476,363 - \$624,366	\$570,115	\$576,502	66.53%	67.12%
3⁽⁴⁾	27	\$338,153 - \$469,835	\$424,170	\$429,661	66.73%	67.12%
4⁽⁵⁾	27	\$106,672 - \$336,686	\$256,604	\$254,886	68.18%	68.27%
Total⁽⁶⁾	106	\$106,672 - \$1,433,544	\$520,311	\$488,038	67.07%	67.53%

- (1) “Gross Profit” means Net Sales less Cost of Goods and does not reflect any expenses related to Store operations. “Cost of Goods” means the franchisee’s cost of the Product and inventory shrinkage only and does not include other cost of goods such as freight or warranty expense.
- (2) Of the 26 Stores, 10 Stores (38%) met or exceeded the average Gross Profit for the first quartile.
- (3) Of the 26 Stores, 15 Stores (58%) met or exceeded the average Gross Profit for the second quartile.
- (4) Of the 27 Stores, 14 Stores (52%) met or exceeded the average Gross Profit for the third quartile.
- (5) Of the 27 Stores, 12 Stores (44%) met or exceeded the average Gross Profit for the fourth quartile.
- (6) Of the 106 Stores, 46 Stores (43%) met or exceeded the average Gross Profit for all Stores.

SECTION C – 2023 INFORMATION

Section C, Tables 1-2 below includes average annual Net Sales and Gross Profit of all 113 franchised Clothes Mentor® Stores in operation for the entire calendar year ended December 31, 2023, divided into quartiles. The information below does not include information from 5 franchised Clothes Mentor® Stores that permanently closed in 2023 (none of which had been opened for 12 months or less). It also does not include 4 franchised Clothes Mentor® stores that were temporarily closed in 2023 or 3 franchised Clothes Mentor® stores that opened in 2023. There were 120 Clothes Mentor® Stores in operation as of December 31, 2023.

SECTION C, TABLE 1 – 2023 AVERAGE NET SALES

In Section C, Table 1, the first quartile includes the average Net Sales of the 28 Stores with the highest Net Sales for the 2023 calendar year. The second quartile includes the average Net Sales of the 28 Stores with the second highest Net Sales for the 2023 calendar year. The third quartile includes the average Net Sales of the 28 Stores with the third highest Net Sales for the 2023 calendar year. The fourth quartile includes the average Net Sales of the 29 Stores with the lowest Net Sales for the 2023 calendar year.

SECTION C, TABLE 1				
Quartile	Number of Stores	Net Sales⁽¹⁾ Range	Average Net Sales	Median Net Sales
1⁽²⁾	28	\$994,162 - \$2,119,151	\$1,278,370	\$1,190,904
2⁽³⁾	28	\$717,497 - \$988,579	\$844,762	\$842,494
3⁽⁴⁾	28	\$513,028 - \$715,258	\$612,162	\$598,347
4⁽⁵⁾	29	\$142,920 - \$506,114	\$370,022	\$378,944
Total⁽⁶⁾	113	\$142,920 - \$2,119,151	\$772,734	\$715,258

- (1) “Net Sales” means all revenues received from the sale of goods and services, whether for cash or by check, credit card or trade, in connection with the Store, less sales tax, and *after* coupons, discounts and returns.
- (2) Of the 28 Stores, 9 Stores (32%) met or exceeded the average Net Sales for the first quartile.
- (3) Of the 28 Stores, 14 Stores (50%) met or exceeded the average Net Sales for the second quartile.
- (4) Of the 28 Stores, 11 Stores (39%) met or exceeded the average Net Sales for the third quartile.
- (5) Of the 29 Stores, 17 Stores (59%) met or exceeded the average Net Sales for the fourth quartile.
- (6) Of the 113 Stores, 50 Stores (44%) met or exceeded the average Net Sales for all Stores.

SECTION C, TABLE 2 – 2023 AVERAGE GROSS PROFIT

In Section C, Table 2, the first quartile includes the average Gross Profit of the 28 Stores with the highest Gross Profit for the 2023 calendar year. The second quartile includes the average Gross Profit of the 28 Stores with the second highest Gross Profit for the 2023 calendar year. The third quartile includes the average Gross Profit of the 28 Stores with the third highest Gross Profit for the 2023 calendar year. The fourth quartile includes the average Gross Profit of the 29 Stores with the lowest Gross Profit for the 2023 calendar year.

SECTION C, TABLE 2						
Quartile	Number of Stores	Gross Profit ⁽¹⁾ Range	Average Gross Profit	Median Gross Profit	Average Gross Profit Margin	Median Gross Profit Margin
1⁽²⁾	28	\$631,654 - \$1,433,544	\$843,598	\$795,676	66.96%	67.68%
2⁽³⁾	28	\$476,363 - \$624,366	\$553,502	\$555,832	66.41%	67.01%
3⁽⁴⁾	28	\$338,153 - \$469,835	\$409,929	\$404,784	67.72%	68.40%
4⁽⁵⁾	29	\$106,672 - \$336,686	\$251,467	\$262,049	69.42%	69.87%
Total⁽⁶⁾	113	\$106,672 - \$1,433,544	\$512,295	\$469,835	67.00%	67.92%

- (1) “Gross Profit” means Net Sales less Cost of Goods and does not reflect any expenses related to Store operations. “Cost of Goods” means the franchisee’s cost of the Product and inventory shrinkage only and does not include other cost of goods such as freight or warranty expense.
- (2) Of the 28 Stores, 10 Stores (36%) met or exceeded the average Gross Profit for the first quartile.
- (3) Of the 28 Stores, 15 Stores (54%) met or exceeded the average Gross Profit for the second quartile.
- (4) Of the 28 Stores, 13 Stores (46%) met or exceeded the average Gross Profit for the third quartile.
- (5) Of the 29 Stores, 16 Stores (57%) met or exceeded the average Gross Profit for the fourth quartile.
- (6) Of the 113 Stores, 49 Stores (43%) met or exceeded the average Gross Profit for all Stores.

SECTION D – 2022 INFORMATION

Section D, Tables 1-2 below includes average annual Gross Sales, Net Sales and Gross Profit of all 121 franchised Clothes Mentor® Stores in operation for the entire calendar year ended December 31, 2022, divided into quartiles. The information below does not include information from 3 franchised Clothes Mentor® stores that closed in 2022 (none of which had been open for less than 12 months).

SECTION D, TABLE 1 – 2022 AVERAGE NET SALES

In Section D, Table 1, the first quartile includes the average Net Sales of the 30 Stores with the highest Net Sales for the 2022 calendar year. The second quartile includes the average Net Sales of the 30 Stores with the second highest Net Sales for the 2022 calendar year. The third quartile includes the average Net Sales of the 30 Stores with the third highest Net Sales for the 2022 calendar year. The fourth quartile includes the average Net Sales of the 31 Stores with the lowest Net Sales for the 2022 calendar year.

SECTION D, TABLE 1				
Quartile	Number of Stores	Net Sales⁽¹⁾ Range	Average Net Sales	Median Net Sales
1⁽²⁾	30	\$961,669 - \$2,121,245	\$1,215,095	\$1,139,095
2⁽³⁾	30	\$604,624 - \$945,067	\$808,591	\$802,741
3⁽⁴⁾	30	\$504,046 - \$694,087	\$601,675	\$593,374
4⁽⁵⁾	31	\$90,421 - \$483,837	\$363,976	\$396,530
Total⁽⁶⁾	121	\$90,421 - \$2,121,245	\$744,166	\$694,355

- (1) “Net Sales” means all revenues received from the sale of goods and services, whether for cash or by check, credit card or trade, in connection with the Store, less sales tax, and *after* coupons, discounts and returns.
- (2) Of the 30 stores, 11 stores (37%) met or exceeded the average Net Sales for the first quartile.
- (3) Of the 30 stores, 13 stores (43%) met or exceeded the average Net Sales for the second quartile.
- (4) Of the 30 stores, 12 stores (40%) met or exceeded the average Net Sales for the third quartile.
- (5) Of the 31 stores, 19 stores (61%) met or exceeded the average Net Sales for the fourth quartile.
- (6) Of the 121 stores, 52 stores (43%) met or exceeded the average Net Sales for all Stores.

SECTION D, TABLE 2 – 2022 AVERAGE GROSS PROFIT

In Section D, Table 2, the first quartile includes the average Gross Profit of the 30 Stores with the highest Gross Profit for the 2022 calendar year. The second quartile includes the average Gross Profit of the 30 Stores with the second highest Gross Profit for the 2022 calendar year. The third quartile includes the average Gross Profit of the 30 Stores with the third highest Gross Profit for the 2022 calendar year. The fourth quartile includes the average Gross Profit of the 31 Stores with the lowest Gross Profit for the 2022 calendar year.

SECTION D, TABLE 2						
Quartile	Number of Stores	Gross Profit ⁽¹⁾ Range	Average Gross Profit	Median Gross Profit	Average Gross Profit Margin	Median Gross Profit Margin
1⁽²⁾	30	\$625,192 - \$1,422,997	\$801,021	\$759,059	66.96%	67.68%
2⁽³⁾	30	\$463,882 - \$624,951	\$537,899	\$541,265	66.41%	67.01%
3⁽⁴⁾	30	\$352,786 - \$463,708	\$407,509	\$404,857	67.72%	68.40%
4⁽⁵⁾	31	\$61,024 - \$328,119	\$252,915	\$276,986	69.42%	69.87%
Total⁽⁶⁾	121	\$61,024 - \$1,422,997	\$499,531	\$463,795	67.64%	68.08%

- (1) “Gross Profit” means Net Sales less Cost of Goods and does not reflect any expenses related to Store operations. “Cost of Goods” means the franchisee’s cost of the Product and inventory shrinkage only and does not include other cost of goods such as freight or warranty expense.
- (2) Of the 30 stores, 11 stores (37%) met or exceeded the average Gross Profit for the first quartile.
- (3) Of the 30 stores, 15 stores (50%) met or exceeded the average Gross Profit for the second quartile.
- (4) Of the 30 stores, 13 stores (43%) met or exceeded the average Gross Profit for the third quartile.
- (5) Of the 31 stores, 19 stores (61%) met or exceeded the average Gross Profit for the fourth quartile.
- (6) Of the 121 stores, 54 stores (45%) met or exceeded the average Gross Profit for all Stores.

SECTION E – PERCENTAGE OF NET SALES FROM E-COMMERCE

In March 2020, we implemented the E-Commerce Program. The Table below includes the average and median amounts of participating franchisee's percentage of annual Net Sales generated from the E-Commerce Program in the three 12-month periods ending December 31, 2024, December 31, 2023 and December 31, 2022. Included in the table below are those Stores that participated in the E-Commerce Program during the entire applicable 12 month period.

Percentage of Monthly Net Sales from E-Commerce				
Calendar Year	Number of Participating Stores	Average % E-Commerce Sales	Median % E-Commerce Sales	# Stores Met or Exceeded Average %
2024	94	11.34%	9.07%	37 (39%)
2023	98	11.00%	7.80%	32 (32%)
2022	93	13.00%	8.50%	27 (29%)

Notes to Sections:

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

Written substantiation of the data used in preparing this financial performance representation will be made available to you upon reasonable request. All data is based on information provided to us by franchisees.

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 the franchisor's management by contacting Michael Smith, Clothes Mentor, LLC, 13895 Industrial Park Blvd, Ste 100, Plymouth, MN 55441, (952) 923-1223, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NUMBER 1
Systemwide Store Summary
For Years 2022 to 2024

Store Type	Year	Stores at the Start of the Year	Stores at the End of the Year	Net Change
Franchised	2022	125	122	-3
	2023	122	120	-2
	2024	120	113	-7
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Stores	2022	125	122	-3
	2023	122	120	-2
	2024	120	113	-7

TABLE NUMBER 2
Transfers of Stores From Franchisee to New Owners (Other than the Franchisor)
For Years 2022 to 2024

State	Year	Number of Transfers
Colorado	2022	1
	2023	1
	2024	0
Connecticut	2022	0
	2023	0
	2024	1
Florida	2022	2
	2023	1
	2024	1
Kansas	2022	1
	2023	0
	2024	0
Louisiana	2022	0
	2023	1
	2024	0
Maryland	2022	0
	2023	1
	2024	0