

PROVISION	SECTION IN AGREEMENT	SUMMARY
s. Modification of the agreement	14.3	No modifications generally, but Manuals and specifications are subject to change.
t. Integration/merger clause	14.2	Only the terms of this franchise disclosure document, the franchise agreement and Manuals are binding (subject to state law). Any representations or promises made outside the disclosure document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	11.3 – 11.4	Except for certain claims, and subject to state law, all disputes must be mediated and arbitrated in Brown County, South Dakota.
v. Choice of forum	11.6	Subject to applicable state law, claims for equitable or injunctive relief must be conducted in South Dakota.
w. Choice of law	14.1	Federal law applies to arbitration and trademark issues. The law of your state applies to amendment of your franchise agreement, the maximum rate of interest that can be charged, and post-termination non-competition issues. Except as required by applicable state law, South Dakota law applies to all other issues.

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 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.

The following is historical financial information concerning the unaudited reported results of a subset of our existing outlets, namely those franchisees who were open for business for all of calendar year 2025 (9 single territory franchisees and 12 multiple territory franchisees operating 31 territories for an aggregate total of 40 territories, or 97.6% of the territories open for all of 2025). We had a total of 30 franchisees as of December 31, 2025 representing an aggregate total of 53 territories. Financial information for the remaining 9 franchisees/13 territories is excluded as these franchisees were not open for all of 2025, either because they opened during calendar

year 2025 (8 franchisees / 12 territories) or did not provide sufficient financial data (1 franchisee/1 territory).

A. Annual Sales Levels

The following table shows annual gross sales reported by franchisees with a single territory and with multiple territories, that were in business throughout calendar year 2025. Figures for franchisees that had multiple territories are total sales for all territories – not average per territory – and if a franchisee’s additional territory opened during 2025, the total sales do not represent a full year of sales for the additional territory. All gross sales figures are presented without regard to the size of the territory.

During 2025 there were 9 reporting franchisees who operated a single territory throughout the year, and 12 reporting franchisees who operated multiple territories each throughout the year.

These sales results are based upon the sales reported to us by the franchisees.

MEASURE	2025	2024
Average Sales – One Territory ¹	\$338,268	\$303,701
Average Sales – Two or More Territories ²	\$882,531	\$602,982
Median Sales – One Territory ³	\$398,540	\$274,762
Median Sales – Two Or More Territories ³	\$669,233	\$449,382
75 th Percentile – One Territory ⁴	\$415,650	\$473,549
75 th Percentile – Two or More Territories ⁴	\$1,071,603	\$755,591
Average Sales of Middle 50% - One Territory ⁵	\$370,893	\$246,888
Average Sales of Middle 50% - Two or More Territories ⁵	\$722,999	\$375,151
25 th Percentile – One Territory ⁶	\$309,342	\$206,879
25 th Percentile – two or More Territories ⁶	\$452,310	\$214,821

Notes:

1. Represents 9 single territory franchisees and 9 territories in 2025; 9 single territory franchisees and 9 territories in 2024. 5 or 56% of the single territory franchisees attained or surpassed the stated average results. The lowest amount reported for a single territory franchisee was \$96,384 and the highest was \$503,464.
2. Represents 12 multiple territory franchisees and 31 territories. 4 or 33% of the multiple territory franchisees attained or surpassed the stated average results. The lowest amount reported for a multiple territory franchisee was \$342,950 and the highest was \$2,618,483.
3. Shows the midpoint of annual sales. 5 or 56% of the single territory franchisees attained

or surpassed the stated median results. 6 or 50% of the multiple territory franchisees attained or surpassed the stated median results.

4. Reported sales by the 75th percentile of franchisees; only 25% of franchisees reported sales higher than this level.
5. Equals the mean (average) annual gross sales of those franchisees whose reported sales fell between the top 25% and the bottom 25%.
6. Reported sales by the 25th percentile of franchisees; only 25% of franchisees reported sales lower than this level.

The following unaudited data are as reported by our franchisees via our CRM System for 2025. We excluded the CRM System data of franchisees who were not open for all of 2025. The following data are for the 21 franchisees (representing 40 territories) open for all of 2025.

B. Cost of Goods Sold/Gross Profit

The average cost of goods sold (that is, the cost to franchisees of Bathroom Improvements products and consumables sold by the franchisees) as a percentage of the price at which the franchisees sold those products and consumables to their customers) was 51% of the gross (retail) sales price with an average gross profit of 49%. The average cost of goods comprises average labor costs of 28% of the gross (retail) sales price and average products cost of 24%.

In addition to the cost of goods sold, you will also incur other expenses that are not included in this calculation, such as monthly payments (lease or financing) for the required vehicle, rent for office/warehouse space, telephone and other utility expenses, automobile, general liability, and other types of insurance, royalties and advertising expenses, federal, state and local taxes, and financing expenses if you finance any part of your investment. You may also incur other expenses, depending upon the manner in which you operate the business.

C. Average Sale Amount

	Average Sale Amount	High Amount	Low Amount	Median Sale Amount
Bathtub Remodel	\$12,257	\$32,737	\$3,322	\$10,608
Full Bathroom Remodel	\$29,480	\$108,591	\$5,170	\$27,116
Misc.	\$4,964	\$56,305	\$207	\$2,047
Shower Remodel	\$14,983	\$45,239	\$2,011	\$15,486
Tub/Shower Conversion	\$17,665	\$63,264	\$2,820	\$16,445
Vanity Only Sales	\$7,251	\$18,232	\$3,695	\$6,467

D. Average Gross Profit

Service Line	%
Bathtub Remodel	54.1%
Full Bathroom Remodel	47.4%
Miscellaneous Sales	53.7%
Shower Remodel	46.3%
Tub/Shower Conversion	49.4%
Vanity Only Sales	60.5%

E. Product Mix

Service Line	%
Bathtub Remodel	2.7
Full Bathroom Remodel	76.6
Miscellaneous Sales	3.0
Shower Remodel	8.7
Tub/Shower Conversion	8.2
Vanity Only Sales	.8

F. Closing Rate

The average of all franchisees was 37%. The median was 35%.

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

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

Other than the preceding financial performance representations, 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 our management by contacting Jarrett Smith at 14 S. Main Street, Suite 1C, Aberdeen, South Dakota 57401, (605) 225-4049, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

Systemwide Outlet Summary for 2023, 2024 and 2025

Outlet Type	Year	Outlets At Start Of Year	Outlets At End Of Year	Net Change
Franchised	2023	41	48	+7
	2024	48	48	0
	2025	48	53	+5
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	41	48	+7
	2024	48	48	0
	2025	48	53	+5

TABLE NO. 2

Transfers of Outlets From Franchisees to New Owners (Other Than Franchisor or an Affiliate) For 2023, 2024 and 2025

State	Year	Number Of Transfers
Georgia	2023	0
	2024	1
	2025	0
North Carolina	2023	2
	2024	0
	2025	0
Ohio	2023	2
	2024	0
	2025	0
South Carolina	2023	3
	2024	0
	2025	0
Washington	2023	0