

Provision	Section in Franchise Agreement (unless otherwise specified)	Summary
		most disputes must be settled by litigation, subject to state law. Only if a court invalidates a jury waiver or a class action waiver will the dispute be resolved through arbitration, subject to the state law.
v. Choice of venue	14(H)	Unless state law supersedes this provision, venue for mediation, arbitration, and litigation is in McLennan County, Texas.
w. Choice of law	14(G)(1)	Texas law applies unless state law supersedes this provision.

SEE THE ATTACHED STATE ADDENDA (Exhibit M) FOR ADDITIONAL DISCLOSURES.

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote our franchise business.

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 sales figures listed below include average and median Gross Sales derived from historical operating results of the franchised businesses indicated for the time periods covered. We obtained these sales figures from information provided to us by our franchisees for the period from January 1, 2024 through December 31, 2024 (the "2024 Reporting Period"). Franchisees are not required to use generally accepted accounting principles when reporting these figures.

As of December 31, 2024, there were 330 franchised businesses in operation in the U.S. This Item 19 includes data from 275 franchised businesses, which were in operation and reporting sales for the full 12 months of the 2024 Reporting Period and they submitted their Gross Sales data using the Software System. The information provided in this Item 19 does not include data from (i) 33 franchised businesses that opened during the year 2024 and therefore were not in operation for the entire 2024 Reporting Period,

(ii) 12 franchised businesses that underwent a transfer and as a result were not reporting sales for the entire Reporting Period; (iii) 1 franchised business that did not submit any Gross Sales reports to us during the Reporting Period, and (iv) 9 franchised businesses that reported \$0 in Gross Sales for the entire 2024 Reporting Period.

Sixteen franchised businesses closed during the 2024 fiscal year, and so they did not report data for the entire 2024 Reporting Period and therefore their data is also excluded from Item 19. Of the 16 businesses that closed during the fiscal year 2024, zero franchised businesses closed after being open for less than 12 months.

“Gross Sales” means the total revenues and receipts from whatever source (whether in the form of cash, credit, agreement to pay, barter, trade, or other consideration) that arise, directly or indirectly, from the operation of — or in connection with — a Rainbow Restoration® business whether under any of the Marks or otherwise. Gross Sales exclude sales taxes collected from customers and paid to the appropriate taxing authority and any other bona fide refunds, rebates, or discounts that we authorize in writing. Gross Sales also exclude sales from any Excluded Services (as defined in a mutually executed Excluded Services Addendum (see Schedule I to the Franchise Agreement).

All of the businesses included in the figures below are generally comparable to the Franchise offered by this disclosure document. Some of such businesses are “conversions,” meaning that they were operating businesses before they converted to a Rainbow Restoration® franchise, including companies that diversified their existing portfolio of businesses by adding our services to their existing operations. These businesses may have higher sales initially than businesses that were not in operation prior to becoming our franchisee.

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

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

Part I. Average and Median Gross Sales in 2024 Attained by Franchised Businesses in Business 12 Months or More¹ and Reporting Using Our Software System

Percentage Rank (in Terms of Level of Gross Sales) of Franchised Businesses in Business 12 Months or More ¹	High ⁵	Low ⁵	Median ²	Average ²	Number in this Group ³	Number and Percent in Group That Attained the Average or Greater ⁴
Top 10%	\$12,734,783	\$2,426,610	\$3,580,336	\$4,244,048	28	11 / 39%
Top 25%	\$12,734,783	\$1,332,663	\$2,153,621	\$2,777,173	69	22 / 32%

Percentage Rank (in Terms of Level of Gross Sales) of Franchised Businesses in Business 12 Months or More ¹	High ⁵	Low ⁵	Median ²	Average ²	Number in this Group ³	Number and Percent in Group That Attained the Average or Greater ⁴
Top 50%	\$12,734,783	\$612,588	\$1,331,702	\$1,833,048	138	44 / 32%
Bottom 50%	\$602,232	\$207	\$242,085	\$260,795	137	64 / 47%
Bottom 25%	\$242,085	\$207	\$114,197	\$109,950	69	38 / 55%
Bottom 10%	\$85,000	\$207	\$48,176	\$43,553	28	17 / 61%
100%	\$12,734,783	\$207	\$612,588	\$1,049,780	275	86 / 31%

¹ Of the franchised businesses in business for 12 months or more as of December 31, 2024, and which businesses reported Gross Sales data to us using our Software System (the “2024 Reporting Businesses”), the average, high, low, and median Gross Sales for the 2023 Reporting Period for the following groups are shown above: Top 10%, Top 25%, Top 50%, Bottom 50%, Bottom 25%, and Bottom 10% by percentage rank (in terms of level of Gross Sales) of 2024 Reporting Businesses, and, finally, all 2024 Reporting Businesses (100%).

² We calculated the Average and Median Gross Sales as follows: (i) first, we calculated the average Gross Sales during the 2024 Reporting Period for each 2024 Reporting Business, based on information provided by the 2024 Reporting Businesses to us through the Software System (the “Individual Business Average Gross Sales”) and (ii) then we calculated the average and median of all 2024 Reporting Businesses’ Individual Business Average Gross Sales (as determined in clause (i)) during the 2024 Reporting Period.

³ Not all franchised businesses included in this chart perform reconstruction or restoration services.

⁴ This is the number of 2024 Reporting Businesses in the respective percentage rank group that achieved or exceeded the Average Gross Sales for that respective percentage rank group during the 2024 Reporting Period.

⁵ This is the actual highest Individual Business Average Gross Sales and the actual lowest Individual Business Average Gross Sales, respectively, in the group.

Part II. Average and Median Gross Sales in 2024 Attained by Franchised Businesses in Business 12 Months or More¹ and Reporting Using Our Software System -- Based on Territory Size

Territory Size (in terms of population) ¹	High ⁵	Low ⁵	Median ²	Average ²	Number in this Group ³	Number and Percent in this Group That Attained the Average or Greater ⁴
40,000 - 249,999	\$4,136,219	\$207	\$376,796	\$661,068	106	31 / 29%
250,000-499,999	\$5,359,881	\$3,999	\$551,504	\$850,824	89	27 / 30%
500,000 and up	\$12,734,783	\$33,484	\$980,512	\$1,786,162	80	24 / 30%

¹ Of the franchised businesses in business for 12 months or more as of December 31, 2024, and which businesses reported Gross Sales data to us using our Software System (the “2024 Reporting Businesses”), the average, high, low, and median Gross Sales for the 2024 Reporting Period for the following groups are shown above, based on the territory size (in terms of population) of the franchised business: 40,000-249,999, 250,000-499,999, and 500,000 and above.

² We calculated the Average and Median Gross Sales as follows: (i) first, we calculated the average Gross Sales during the 2024 Reporting Period for each 2024 Reporting Business, based on information provided by the 2024 Reporting Businesses to us through the Software System (the “Individual Business Average Gross Sales”) and (ii) then we calculated the average and median of all 2024 Reporting Businesses’ Individual Business Average Gross Sales (as determined in clause (i)) during the 2024 Reporting Period.

³ Not all franchised businesses included in this chart perform reconstruction or restoration services.

⁴ This is the number of 2024 Reporting Businesses in the respective Territory Size group that achieved or exceeded the Average Gross Sales for that group during the 2024 Reporting Period.

⁵ This is the actual highest Individual Business Average Gross Sales and the actual lowest Individual Business Average Gross Sales, respectively, in the group.

Except for the information that appears in this Item 19, we do not furnish or authorize our salesperson or affiliates to furnish any oral or written information or representations or statements of actual sales, costs, income, or profits. 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 Joshua Miller, 1010 North University Parks Drive, Waco, Texas 76707, 800-207-8515, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System wide Outlet¹ Summary for Years 2022 to 2024

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2022	315	314	-1
	2023	314	313	-1
	2024	313	330	17
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	315	314	-1
	2023	314	313	-1
	2024	313	330	17

¹ Included in “outlets” are all franchised businesses that have opened an operating location. Neither sale of a new territory to an existing franchisee where a separate operating location will not be opened nor execution of a franchise agreement for a new location where the location is not yet open are included.

Table No. 2

Transfers¹ of Outlets from Franchisees to New Owners (Other than the Franchisor) For Years 2022 to 2024

State	Year	Number of Transfers
Arizona	2022	0
	2023	2
	2024	1
California	2022	1
	2023	0
	2024	0
Connecticut	2022	1
	2023	0
	2024	0
Florida	2022	2
	2023	0
	2024	0