

AVERAGE REVENUES FOR REPORTING TERRITORIES DURING CALENDAR YEAR 2022 and 2023				
Total Number of Reporting Territories Included	2022 Average Annual Total Gross Revenues	2023 Average Annual Total Gross Revenues	Average Reporting Territory Year over Year Growth from 2022-2023 in Dollars	Average Reporting Territory Year over Year Growth from 2022-2023 as a %
346	\$168,203.46	\$164,949.02	\$3,254.44	-1.93%

MEDIAN REVENUES FOR REPORTING TERRITORIES DURING CALENDAR YEAR 2022 and 2023				
Total Number of Reporting Territories Included	2022 Median Annual Total Gross Revenues	2023 Average Median Total Gross Revenues	Median Reporting Territory Year over Year Change from 2022-2023 in Dollars	Median Reporting Territory Year over Year Growth from 2022-2023 as a %
346	\$225,650.20	\$236,571.25	\$10,921.05	4.84%

NOTES:

1. The information regarding the Gross Revenues and numbers of jobs in this table has been prepared from data obtained from the unaudited information submitted by the Reporting Territories through our scheduling center. All Reporting Territories for 2022 were in business for the entire 2022 calendar year and all Reporting Territories for 2023 were in business for the entire 2023 calendar year. In both years 2022 and 2023 we exclude the same two ~~non-performing~~ territories from the data and calculations which did not operate a full year in the respective year.

2. The total size of each Protected Territory is approximately 110,000 households In both 2022 and 2023, we had 34 outlets that operated the entire respective calendar year and include these Reporting Territories in the tables above. Two territories opened part way through 2022 and are not included. And two territories closed part way through 2023 and are not included.
~~-. In 2021, these Reporting Territories operated a total of 34 outlets out of the total 36 franchised outlets in operation as of December 31, 2021. The remaining 2 outlets did not operate a full year in 2022.~~

3. Column 2 shows the annual total Gross Revenues for the calendar year 2022, on average, for the Reporting Territories. Thirteen, or 38% of the Reporting Territories attained or surpassed the average shown in Column 2 in 2022.

4. Column 3 shows the annual total Gross Revenues for the calendar year 2023, on average, for the Reporting Territories. Fourteen, or 41% of the Reporting Territories attained or surpassed the

average shown in Column 3 in 2023.

5. Column 4 shows the average Gross Revenue growth per Reporting Territory, from reporting year 2022 to reporting year 2023 expressed in dollars. The numbers in this column have been calculated by subtracting the number in Column 2 from the number in Column 3. Seventeen or 50% of the Reporting Territories attained or surpassed the average shown in Column 4.

6. Column 5 shows the average Gross Revenue growth per Reporting Territory, from reporting year 2022 to reporting year 2023 expressed as a %. The numbers in this column have been calculated by finding the difference between Column 2 and Column 3, and dividing it by the number in Column 2, and multiplying by 100 ($=174,651.90-178,097.78/178097.78=.0193 \times 100=-1.93\%$). Seventeen (17) out of 34, or 50% of the Reporting Territories attained or surpassed the average shown in Column 5.

7. The table does not show any costs incurred by the Reporting Territories or other franchisees.

8. The highest and lowest Gross Revenue for territories in the table above for 2022 and 2023 was as follows: Highest 2022- \$1,520,737.61; Lowest 2022- \$1,912.00; Highest 2023- \$1,364,691.45; Lowest 2023- \$18,731.00.

~~3. Column 2 shows the annual total Gross Revenues for the calendar year 2021, on average, for the Reporting Territories. Fourteen, or 42% of the Reporting Territories attained or surpassed the average shown in Column 2 in 2021~~

~~4. Column 3 shows the annual total Gross Revenues for the calendar year 2022, on average, for the Reporting Territories. Thirteen, or 38% of the Reporting Territories attained or surpassed the average shown in Column 3 in 2022.~~

~~5. Column 4 shows the average Gross Revenue growth per Reporting Territory, from reporting year 2021 to reporting year 2022 expressed in dollars. The numbers in this column have been calculated by subtracting the number in Column 2 from the number in Column 3. Nineteen or 51% of the Reporting Territories attained or surpassed the average shown in Column 4.~~

~~6. Column 5 shows the average Gross Revenue growth per Reporting Territory, from reporting year 2021 to reporting year 2022 expressed as a %. The numbers in this column have been calculated by finding the difference between Column 2 and Column 3, and dividing it by the number in Column 2, and multiplying by 100 ($71,158 - 86,896 = -15,738 / 71,158 = .22 \times 100 = 22\%$). Seventeen, or 46% of the Reporting Territories attained or surpassed the average shown in Column 5.~~

~~7. The table does not show any costs incurred by the Reporting Territories or other franchisees.~~

~~8. The highest and lowest Gross Revenue for territories in the table above for 2021 and 2022 was as follows: Highest 2021 \$1,043,789.97; Lowest 2021 \$26,354.12; Highest 2022 \$1,533,826.11; Lowest 2022 \$2,021.00.~~

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

agreement is void. Instead, the prevailing party in any enforcement action is entitled to recover all costs and expenses including attorney's fees.

Item 17(u) of the Disclosure Document is modified to provide that the site of mediation and arbitration shall be agreeable to all parties and may not be remote from the franchisee's place of business.

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

SOUTH DAKOTA ADDENDUM

Initial Fee Deferral.

Item 5 of the Disclosure Document is revised to also provide:

The Franchise Disclosure Document is amended to also state that the initial franchise fee will be paid only after the franchisor fulfills its pre-opening obligations to the Franchisee and the Franchisee is open for business.

VIRGINIA ADDENDUM

As to franchises governed by the Virginia Retail Franchising Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

1. In recognition of the restrictions contained in Section 13.1-564 of the Virginia Retail Franchising Act, the Franchise Disclosure Document is amended as follows:

Additional Disclosure: The following statements are added to Item 17.h.

Under Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any ground for default or termination stated in the franchise agreement does not constitute "reasonable cause," as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

2. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This

provision supersedes any other term of any document executed in connection with the franchise.

Initial Fee Deferral.

Item 5 of the Disclosure Document is revised to also provide:

"The Virginia State Corporation Commission's Division of Securities and Retail Franchising requires us to defer payment of the initial franchise fee and other initial payments owed by franchisees to the franchisor until the franchisor has completed its pre-opening obligations under the franchise agreement."

WASHINGTON

As to franchises governed by the Washington Franchise Investment Protection Act, if any of the terms of the Disclosure Document are inconsistent with the terms below, the terms below control.

In the event of a conflict of laws, the provisions of the Washington Franchise Investment Protection Act, Chapter 19.100 RCW will prevail.

RCW 19.100.180 may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise. There may also be court decisions which may supersede the franchise agreement in your relationship with the franchisor including the areas of termination and renewal of your franchise.

In any arbitration or mediation involving a franchise purchased in Washington, the arbitration or mediation site will be either in the state of Washington, or in a place mutually agreed upon at the time of the arbitration or mediation, or as determined by the arbitrator or mediator at the time of arbitration or mediation. In addition, if litigation is not precluded by the franchise agreement, a franchisee may bring an action or proceeding arising out of or in connection with the sale of franchises, or a violation of the Washington Franchise Investment Protection Act, in Washington.

A release or waiver of rights executed by a franchisee may not include rights under the Washington Franchise Investment Protection Act or any rule or order thereunder except when executed pursuant to a negotiated settlement after the agreement is in effect and where the parties are represented by independent counsel. Provisions such as those which unreasonably restrict or limit the statute of limitations period for claims under the Act, or rights or remedies under the Act such as a right to a jury trial, may not be enforceable.

Transfer fees are collectable to the extent that they reflect the franchisor's reasonable estimated or actual costs in effecting a transfer.

Pursuant to RCW 49.62.020, a noncompetition covenant is void and unenforceable against an employee, including an employee of a franchisee, unless the employee's earnings from the party seeking enforcement, when annualized, exceed \$100,000 per year (an amount that will be adjusted annually for inflation). In addition, a noncompetition covenant is void and unenforceable against an independent contractor of a franchisee under RCW 49.62.030 unless the independent contractor's earnings from the party seeking enforcement, when annualized, exceed \$250,000 per year (an amount that will be adjusted annually for inflation). As a result, any provisions contained in the

franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

- Minnesota considers it unfair to not protect the franchisee's right to use the trademarks. Refer to Minnesota Statutes 80C.12, Subd. 1(g).
- Minnesota Rules 2860.4400(D) prohibits a franchisor from requiring a franchisee to assent to a general release.
- The franchisee cannot consent to the franchisor obtaining injunctive relief. The franchisor may seek injunctive relief. See Minn. Rules 2860.4400J.

Also, a court will determine if a bond is required.

The Limitations of Claims section must comply with Minnesota Statutes, Section 80C.17, Subd. 5.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

Initial Fee Deferral

Items 5 and 7 of the Disclosure Document are amended to also add the following: The franchisor defers the receipt of the initial franchise fee until the franchised business opens.

NORTH DAKOTA

The following statement is added at the end of Item 5:

“All initial fees payable to us and any of our affiliates shall be deferred until we have fulfilled our initial obligations to you and you have commenced operations pursuant to the Franchise Agreement.”

Restrictive Covenants: To the extent that covenants not to compete apply to periods after the term of the franchise agreement, they are generally unenforceable under North Dakota law.

Applicable Laws: North Dakota law will govern the franchise agreement.

Waiver of Trial by Jury: Any waiver of a trial by jury will not apply to North Dakota Franchises.