

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) 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.

DEFINITIONS

- (a) Average – means the sum of all data points in a set, divided by the number of data points in that set.
- (b) Calendar Year – means the period commencing on January 1 and ending on December 31.
- (c) Cost Per Lead - means the total digital advertising spend of an Outlet during a particular Calendar Year divided by the total number of Leads received by that Outlet during the same Calendar Year. Cost Per Lead data is calculated on an aggregate basis and is not tracked at the individual Lead level. Accordingly, only the Average Cost Per Lead is disclosed; the Median, High, and Low are not available.
- (d) Company Owned Outlet – means an Outlet owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document. A Company Owned Outlet also includes any Outlet that is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document, and that is managed by us our affiliate or any person identified in Item 2.
- (e) Customer – refers to each unique Preservan Business customer for which an Outlet provides Approved Services and Products during a particular Calendar Year. If a Customer has multiple Service Visits during a Calendar Year they are still counted as one Customer.
- (f) Direct Gross Profit – means Gross Sales less Technician Labor Cost and Product and Supply Cost. Direct Gross Profit is not net profit or income and, except as to Technician Labor Cost and Products and Supplies does not include the deduction of all other expenses incurred by a Preservan Business.
- (g) Estimate – refers to an estimate outlining proposed pricing and scope of services that is provided by a Preservan Business to a prospective Customer for the performance of Approved Services and Products following an on-site visit. This is an Estimate only and does not mean that the proposed customer accepted the estimate or hired the Preservan Business.
- (h) Franchise Outlet – refers to a Preservan Business operated under a Franchise Agreement that is not a Company Owned Outlet.
- (i) Franchise Related Expenses – means the following select fees currently required under the Franchise Agreements: Royalty Fees, Brand Development Fund Fees, Local Marketing Fees, Software Fees, Contact Center Fees, and Advertising Management Fees. Franchise Related Expenses do not include all fee and payment obligations required under a Franchise Agreement.
- (j) Gross Sales – means the total revenue derived by each Preservan Business less sales tax, discounts, allowances, and returns.
- (k) Lead – refers to a prospective Customer of a Preservan Business that contacts the official Contact Center

designated by us for the purpose of inquiring about Approved Services and Products.

(l) Median – means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.

(m) New Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2024, as to the 2024 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet and not as an Operational Company Owned Outlet, see definition below. If this Company Owned Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2025 Calendar Year.

(n) New Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2024, as to the 2024 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet, see definition below. If this Franchise Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2025 Calendar Year.

(o) Operational Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that was open and in operation on or prior to the commencement of the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2024, as to the 2024 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet, see definition above, and not as an Operational Company Owned Outlet. If this Company Owned Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2025 Calendar Year.

(p) Operational Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation on or prior to the commencement of the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2024, as to the 2024 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet, see definition above, and not as an Operational Franchise Outlet. If this Franchise Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2025 Calendar Year.

(q) Outlet – refers to a Preservan Business that is either a Company Owned Outlet or a Franchise Outlet, as the context requires.

(r) Product and Supply Cost – refers to epoxy and customer specific consumables used by an Outlet in performing and providing Approved Services and Products and resulting in Gross Sales.

(s) Select Disclosed Expenses – refers to a limited selection of expenses as disclosed in the tables to this Item 19, comprised of the following select expense categories: Service Vehicle Fuel and Maintenance Expenses, insurance, and marketing.

(t) Service Vehicle Fuel and Maintenance Expenses – means the cost incurred by an Outlet for fuel and general maintenance services associated with the Service Vehicle or Service Vehicles operated by an Outlet. This expense does not include acquisition costs of a Service Vehicle or on-going financing or lease installment payments for the acquisition of a Service Vehicle.

(u) Service Visit – means an on-site visit at a customer location where the Approved Services and Products are

provided.

(v) Technician Labor Cost – means the direct salary paid to technician employees that provide and perform on-site services comprising the Approved Services and Products and resulting in Gross Sales. Technician Labor Cost includes gross salary only and does not include other employment or payroll benefits and expenses paid to or on behalf of a technician. Technician Labor Cost does not include compensation related to administrative labor, sales labor, or management labor. For Franchise Outlets, Technician Labor does not include labor expenses or compensation to franchise owners that perform technician or other services on behalf of their Preservan Business.

BASES AND ASSUMPTIONS

The financial information was not prepared on a basis consistent with generally accepted accounting principles. Data for our Company Owned Outlet is based on information reported to us by our affiliate. Data for the Operational Franchise Outlets is based on financial information reported to us by our franchisees. The information in this analysis has not been audited, is based on historical financial data and is not a forecast or projection of future financial performance.

ANALYSIS OF RESULTS OF COMPANY OWNED OUTLET

We have one Operational Company Owned Outlet that operates within an Operating Territory comprised of a single territory within the Oklahoma City market and that qualifies as a Zone 3 Wood Deterioration Zone with approximately 200,000 households. This Company Owned Outlet operates two Service Vehicles within the Oklahoma City market. This Company Owned Outlet began operations in 2018 as Wood Window Rescue and in 2021 adopted the Preservan tradename and began operations representative of the Franchised Business.

Material financial and operational characteristics that are reasonably anticipated to differ from future operational franchise outlets include: (a) managerial skill and efficiency experienced by our Company Owned Outlet as a result of our extensively experienced management team; (b) brand recognition within the local markets in which our Company Owned Outlet operates; and (c) no obligation to pay ongoing monthly fees that a franchisee will pay to us, such as Royalty Fees and Brand Development Fund Fees.

Below we report select financial performance data as to our Operational Company Owned Outlet during the respective Calendar Years.

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Table 1A

Company Owned Outlet – Preservan Oklahoma City						
	2023 Calendar Year		2024 Calendar Year		2025 Calendar Year	
	Total	% ¹	Total	% ¹	Total	% ¹
Gross Sales	\$334,414	100.00%	\$401,054	100.00%	\$402,069	100.00%
Less:						
Technician Labor Cost	(\$72,435)	21.66%	(\$103,289)	25.75%	(\$132,517)	32.96%
Product and Supply Cost	(\$22,762)	6.81%	(\$21,048)	5.25%	(\$22,908)	5.70%
Direct Gross Profit	\$239,217	71.53%	\$276,717	69.00%	\$246,644	61.34%
Less: Select Disclosed Expenses						
Service Vehicle Fuel and Maintenance Expenses	(\$5,293)	1.58%	(\$6,395)	1.59%	(\$2,521)	0.63%
Insurance	(\$4,687)	1.40%	(\$5,636)	1.40%	(\$11,659)	2.90%
Marketing	(\$20,166)	6.03%	(\$35,552)	8.86%	(\$54,184)	13.48%
Direct Gross Profit After Select Disclosed Expenses	\$209,071	62.52%	\$229,134	57.13%	\$178,280	44.34%
Less: Franchise Related Expenses						
Royalty Fee ²	(\$23,409)	7.00%	(\$28,074)	7.00%	(\$28,145)	7.00%
Brand Development Fund Fee ³	(\$3,344)	1.00%	(\$4,010)	1.00%	(\$4,021)	1.00%
Local Marketing ⁴	N/A	N/A	N/A	N/A	N/A	N/A
Software Fee ⁵	(\$5,820)	1.74%	(\$5,820)	1.45%	(\$5,820)	1.45%
Contact Center Fee ⁶	(\$4,200)	1.25%	(\$3,600)	0.90%	(\$4,200)	1.04%
+ Per Invoice	(\$0)	0.00%	(\$0)	0.00%	(\$5,670)	1.41%
Advertising Management Fee ⁷	(\$4,200)	1.25%	(\$4,200)	1.04%	(\$4,200)	1.04%
Direct Gross Profit after Select Disclosed Expenses and Franchise Related Expenses⁸	\$168,098	50.27%	\$183,430	45.74%	\$126,224	31.39%

Notes to Table 1:

¹ “%” – Represents the percentage of total Gross Sales. Data reported relates to the respective Calendar Year.

² Royalty Fee – The Royalty Fee is equal to the greater of: (a) a sum equal to 7% of your weekly Gross Sales; or (b) the amount of your then applicable Minimum Weekly Royalty Fee Requirement.

³ Brand Development Fund Fee – The Brand Development Fund Fee is currently 1% of Gross Sales but may be increased to 3% of Gross Sales.

⁴ Local Marketing – On an on-going monthly basis, you must spend \$2,000 per month for your first Territory plus an additional \$1,000 per month for each Additional Territory on the local marketing of your Preservan Business during the first 12 month period following the opening of your Preservan Business and, after this initial 12 month period, you must spend not less than the greater of (a) 5% of your monthly Gross Sales; or (b) \$2,000 per month for your first Territory plus an additional \$1,000 per month for each Additional Territory on the local marketing of your Preservan Business. As to the 2023, 2024 and 2025 Calendar Years, the marketing expense include in the Select Disclosed Expenses exceeds the local marketing efforts required and therefore we do not include an adjustment.

⁵ Software Fee – The Software Fee is currently \$485 per month.

⁶ Contact Center Fee – The Contact Center Fee is currently \$350 per month plus \$35 per invoiced job. The per invoice line item is based on 188 invoices.

⁷ Advertising Management Fee – The Advertising Management Fee is currently \$350 per month.

⁸ Direct Gross Profit after Select Disclosed Expenses and Franchise Related Expenses – Please review all definitions in this Item 19 and each item used in this calculation. This does not represent net income or overall profitability of a Preservan Business.

Table 1B

Company Owned Outlet – Preservan Oklahoma City Service Visit Data Summary					
	Average	Median	High	Low	Number of Service Visits Above/Below Average ¹
2023 Gross Sales Per Service Visit	\$1,808	\$1,345	\$12,000	\$280	Above: 75 (40%) Below: 110 (60%)
2024 Gross Sales Per Service Visit	\$2,354	\$2,100	\$9,295	\$490	Above: 79 (46%) Below: 94 (54%)
2025 Gross Sales Per Service Visit	\$2,098	\$1,750	\$8,946	\$408	Above: 70 (37%) Below: 118 (63%)

Notes to Table:

¹ During the 2023 Calendar Year, there were a total of 185 Service Visits. During the 2024 Calendar Year, there were a total of 173 Service Visits. During the 2025 Calendar Year, there were a total of 188 Service Visits.

Table 1C

Company Owned Outlet – Preservan Oklahoma City	
Calendar Year	Cost Per Lead
2023	\$45.72
2024	\$44.55
2025	\$53.92

Notes to Table:

¹ See definition of Cost Per Lead in the definitions of this Item 19.

During the 2023 Calendar Year, our Company Owned Outlet incurred a marketing spend of \$20,166 and received a total of 441 Leads. During the 2024 Calendar Year, our Company Owned Outlet incurred a marketing spend of \$35,552 and there were a total of 798 Leads. During the 2025 Calendar Year, our Company Owned Outlet incurred a marketing spend of \$54,184 and there were a total of 1,005 Leads.

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ANALYSIS OF RESULTS OF OPERATIONAL FRANCHISE OUTLETS

During the 2023 Calendar Year we had a total of two Franchise Outlets that, as to the 2023 Calendar Year were New Franchise Outlets. During the 2024 Calendar Year we had a total of 10 Franchise Outlets and of these 10 Franchise Outlets, two Outlets were Operational Franchise Outlets and eight were New Franchise Outlets. During the 2025 Calendar Year we had a total of 16 Franchise Outlets and of these 16 Franchise Outlets, 11 Outlets were Operational Franchise Outlets and 5 Outlets were New Franchise Outlets. As to the 2025 Calendar Year we do not include data for one Operational Franchise Outlet that failed to provide us with financial records for the 2025 Calendar Year. We do not include data for New Franchise Outlets that were not open for the full respective Calendar Years reported in this Item 19. In the tables below, as to each respective Calendar Year, we report data as to Operational Franchise Outlets only.

Operational Franchise Outlet Summary	
Outlet	Outlet Description
Preservan Tulsa	The Preservan A Outlet commenced operations in March 2023. This Outlet operates in an Operating Territory that constitutes a Zone 3 Wood Deterioration Zone with approximately 100,000 households, which is the equivalent of one Territory. This Outlet operates one service vehicle within the Operating Territory. Since this Outlet constitutes a New Franchise Outlet for the 2023 Calendar Year and was not open for the full 2023 Calendar Year, it is excluded from this <u>Item 19</u> . This Outlet constitutes an Operational Franchise Outlet for the 2024 and 2025 Calendar Years. However, for the 2025 Calendar Year we exclude the data for this Outlet from this <u>Item 19</u> because they failed to provide us with financial records for the 2025 Calendar Year.
Preservan Orlando	The Preservan B Outlet commenced operations in June 2023. This Outlet operates in an Operating Territory that constitutes a Zone 5 Wood Deterioration Zone with approximately 800,00 households, which is the equivalent of eight Territories. However, as to the 2024 Calendar Year, this Outlet only operated within the equivalent of five Territories. The financial information reported in this <u>Item 19</u> is based on this Outlet operating within these five Territories only. This Outlet operates two service vehicles within the Operating Territory. Since this Outlet constitutes a New Franchise Outlet for the 2023 Calendar Year and was not open for the full 2023 Calendar Year, it is excluded from this <u>Item 19</u> . This Outlet constitutes an Operational Franchise Outlet for the 2024 and 2025 Calendar Years.
Preservan Dallas	The Preservan C Outlet commenced operations in August 2024. This Outlet operates in an Operating Territory that constitutes a Zone 4 Wood Deterioration Zone with approximately 800,000 households, which is the equivalent of five Territories. Since this Outlet constitutes a New Franchise Outlet for the 2024 Calendar Year and was not open for the full 2024 Calendar Year, it is excluded from this <u>Item 19</u> . This Outlet constitutes an Operational Franchise Outlet for the 2025 Calendar Year.
Preservan Birmingham	The Preservan D Outlet commenced operations in September 2024. This Outlet operates in an Operating Territory that constitutes a Zone 4 Wood Deterioration Zone with approximately 150,000 households, which is the equivalent of one Territories. Since this Outlet constitutes a New Franchise Outlet for the 2024 Calendar Year and was not open for the full 2024 Calendar Year, it is excluded from this <u>Item 19</u> . This Outlet constitutes an Operational Franchise Outlet for the 2025 Calendar Year.
Preservan Nashville	The Preservan E Outlet commenced operations in March 2024. This Outlet operates in an Operating Territory that constitutes a Zone 4 Wood Deterioration Zone with approximately 450,000 households, which is the equivalent of three Territories. Since this Outlet constitutes a New Franchise Outlet for the 2024 Calendar Year and was not open for the full 2024 Calendar Year, it is excluded from this <u>Item 19</u> . This Outlet constitutes an Operational Franchise Outlet for the 2025 Calendar Year.
Preservan Athens	The Preservan F Outlet commenced operations in July 2024. This Outlet operates in an Operating Territory that constitutes a Zone 4 Wood Deterioration Zone with approximately 150,000 households, which is the equivalent of one Territories. Since this Outlet constitutes a New Franchise Outlet for the 2024 Calendar Year and was not open for the full 2024 Calendar Year, it is excluded from this <u>Item 19</u> . This Outlet constitutes an Operational Franchise Outlet for the 2025 Calendar Year.
Preservan Jacksonville	The Preservan G Outlet commenced operations in August 2024. This Outlet operates in an Operating Territory that constitutes a Zone 5 Wood Deterioration Zone with approximately 200,000 households, which is the equivalent of two Territories. Since this Outlet constitutes a New Franchise Outlet for

	the 2024 Calendar Year and was not open for the full 2024 Calendar Year, it is excluded from this Item 19. This Outlet constitutes an Operational Franchise Outlet for the 2025 Calendar Year.
Preservan Tampa	The Preservan H Outlet commenced operations in November 2024. This Outlet operates in an Operating Territory that constitutes a Zone 5 Wood Deterioration Zone with approximately 200,000 households, which is the equivalent of two Territories. Since this Outlet constitutes a New Franchise Outlet for the 2024 Calendar Year and was not open for the full 2024 Calendar Year, it is excluded from this Item 19. This Outlet constitutes an Operational Franchise Outlet for the 2025 Calendar Year.

Table 2A

Operational Franchise Outlet: Preservan Tulsa				
	2024 Calendar Year		2025 Calendar Year	
	Total	% ¹	Total	% ¹
Gross Sales	\$137,427	100.00%		
Less:				
Technician Labor Cost	(\$54,450)	39.62%		
Product and Supply Cost	(\$12,391)	9.02%		
Direct Gross Profit	\$70,586	51.36%		
Less: Select Disclosed Expenses				
Service Vehicle Fuel and Maintenance Expenses	(\$5,485)	3.99%		
Insurance	(\$795)	0.58%		
Marketing	(\$21,904)	15.94%		N/A*
Direct Gross Profit Less Select Disclosed Expenses	\$42,402	30.85%		
Less: Adjustments for Select Franchise Related Expenses				
Royalty Fee ²	(\$9,620)	7.00%		
Brand Development Fund Fee ³	(\$1,374)	1.00%		
Local Marketing ⁴	N/A	N/A		
Software Fee ⁵	(\$5,820)	4.23%		
Contact Center Fee ⁶	(\$4,200)	3.06%		
Advertising Management Fee ⁶	(\$4,200)	3.06%		
Direct Gross Profit Less Select Disclosed Expenses and Select Franchise Related Expenses⁸	\$17,188	12.51%		

Notes to Table:

¹ “%” – Represents the percentage of total Gross Sales.

² Royalty Fee – The Royalty Fee is equal to the greater of: (a) a sum equal to 7% of your weekly Gross Sales; or (b) the amount of your then applicable Minimum Weekly Royalty Fee Requirement.

³ Brand Development Fund Fee – The Brand Development Fund Fee is currently 1% of Gross Sales but may be increased to 3% of Gross Sales.

⁴ Local Marketing – On an on-going monthly basis, you must spend \$2,000 per month for your first Territory plus an additional \$1,000 per month for each Additional Territory on the local marketing of your Preservan Business during the first 12 month period following the opening of your Preservan Business and, after this initial 12 month period, you must spend not less than the greater of (a) 5% of your monthly Gross Sales; or (b) \$2,000 per month for your first Territory plus an additional \$1,000 per month for each Additional Territory on the local marketing of your Preservan Business. As to the 2024 Calendar Year, the marketing expense include in the Select Disclosed Expenses exceeds the local marketing efforts required and therefore we do not include an adjustment.

⁵ Software Fee – The Software Fee is currently \$485 per month.

⁶ Contact Center Fee – The Contact Center Fee is currently \$350 per month plus \$35 per invoiced job and, as to the 2025 Calendar Year, adjusted accordingly.

⁷ Advertising Management Fee – The Advertising Management Fee is currently \$350 per month.

⁸ Direct Gross Profit after Select Disclosed Expenses and Franchise Related Expenses – Please review all definitions in this Item 19 and each item used in this calculation. This does not represent net income or overall profitability of a Preservan Business.

* For the 2025 Calendar Year we exclude the data for this Outlet because they failed to provide us with financial records for the 2025 Calendar Year.

Table 2B

Operational Franchise Outlet – Preservan Tulsa					
Service Visit Data Summary					
	Average	Median	High	Low	Number of Service Visits Above/Below Average ¹
2024 Gross Sales Per Service Visit	\$1,518	\$1,040	\$6,915	\$200	Above: 31 (35%) Below: 58 (65%)
2025 Gross Sales Per Service Visit	N/A*				N/A*

Notes to Table:

¹ During the 2024 Calendar Year, there were a total of 89 Service Visits. * For the 2025 Calendar Year we exclude the data for this Outlet because they failed to provide us with financial records for the 2025 Calendar Year.

Table 2C

Operational Franchise Outlet	
Preservan Tulsa	
Calendar Year	Cost Per Lead
2024	\$42.12
2025	N/A*

Notes to Table:

¹ See definition of Cost Per Lead in the definitions of this Item 19.

During the 2024 Calendar Year, this Franchise Outlet incurred a marketing spend of \$21,904 and there were a total of 520 Leads. * For the 2025 Calendar Year we exclude the data for this Outlet because they failed to provide us with financial records for the 2025 Calendar Year.

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Table 3A

Operational Franchise Outlet: Preservan Orlando				
	2024 Calendar Year		2025 Calendar Year	
	Total	% ¹	Total	% ¹
Gross Sales	\$406,300	100.00%	\$487,764	100.00%
Less:				
Technician Labor Cost	(\$91,699)	22.57%	(\$104,496)	21.42%
Product and Supply Cost	(\$50,000)	12.30%	(\$21,882)	4.49%
Direct Gross Profit	\$264,601	65.12%	\$361,386	74.09%
Less: Select Disclosed Expenses				
Service Vehicle Fuel and Maintenance Expenses	(\$12,430)	3.06%	(\$7,998)	1.64%
Insurance	(\$17,375)	4.28%	(\$9,424)	1.93%
Marketing	(\$43,446)	10.69%	(\$105,109)	21.55%
Direct Gross Profit Less Select Disclosed Expenses	\$191,350	47.10%	\$238,855	48.97%
Less: Adjustments for Select Franchise Related Expenses				
Royalty Fee ²	(\$28,441)	7.00%	(\$34,143)	7.00%
Brand Development Fund Fee ³	(\$4,063)	1.00%	(\$4,878)	1.00%
Local Marketing ⁴	N/A	N/A	N/A	N/A
Software Fee ⁵	(\$5,820)	1.43%	(\$5,820)	1.19%
Contact Center Fee ⁶	(\$4,200)	1.03%	(\$4,200)	0.86%
+ Per Invoice	(\$0)	0%	(\$8,850)	1.81%
Advertising Management Fee ⁷	(\$4,200)	1.03%	(\$4,200)	0.86%
Direct Gross Profit Less Select Disclosed Expenses and Select Franchise Related Expenses⁸	\$144,626	35.60%	\$176,764	36.24%

Notes to Table:

¹ “%” – Represents the percentage of total Gross Sales.

² Royalty Fee – The Royalty Fee is equal to the greater of: (a) a sum equal to 7% of your weekly Gross Sales; or (b) the amount of your then applicable Minimum Weekly Royalty Fee Requirement.

³ Brand Development Fund Fee – The Brand Development Fund Fee is currently 1% of Gross Sales but may be increased to 3% of Gross Sales.

⁴ Local Marketing – On an on-going monthly basis, you must spend \$2,000 per month for your first Territory plus an additional \$1,000 per month for each Additional Territory on the local marketing of your Preservan Business during the first 12 month period following the opening of your Preservan Business and, after this initial 12 month period, you must spend not less than the greater of (a) 5% of your monthly Gross Sales; or (b) \$2,000 per month for your first Territory plus an additional \$1,000 per month for each Additional Territory on the local marketing of your Preservan Business. As to the 2024 and 2025 Calendar Years, the marketing expense include in the Select Disclosed Expenses exceeds the local marketing efforts required and therefore we do not include an adjustment.

⁵ Software Fee – The Software Fee is currently \$485 per month.

⁶ Contact Center Fee – The Contact Center Fee is currently \$350 per month plus \$35 per invoiced job and, as to the 2025 Calendar Year, adjusted accordingly. The per invoice line item is based on 291 invoices.

⁷ Advertising Management Fee – The Advertising Management Fee is currently \$350 per month.

⁸ Direct Gross Profit after Select Disclosed Expenses and Franchise Related Expenses – Please review all definitions in this Item 19 and each item used in this calculation. This does not represent net income or overall profitability of a Preservan Business

Table 3B

Operational Franchise Outlet – Preservan Orlando					
Service Visit Data Summary					
	Average	Median	High	Low	Number of Service Visits Above/Below Average ¹
2024 Gross Sales Per Service Visit	\$1,402	\$990	\$11,211.75	\$200	Above: 91 (31%) Below: 198 (69%)
2025 Gross Sales Per Service Visit	\$1,640	\$1,101	\$20,990	\$250	Above: 92 (32%) Below: 199 (68%)

Notes to Table:

¹ During the 2024 Calendar Year, there were a total of 289 Service Visits. During the 2025 Calendar Year, there were a total of 291 Service Visits.

Table 3C

Operational Franchise Outlet	
Preservan Orlando	
Calendar Year	Cost Per Lead
2024	\$41.14
2025	\$77.40

Notes to Table:

¹ See definition of Cost Per Lead in the definitions of this Item 19.

During the 2024 Calendar Year, this Franchise Outlet incurred a marketing spend of \$43,446 and there were a total of 1,056 Leads. During the 2025 Calendar Year, this Franchise Outlet incurred a marketing spend of \$105,109 and there were a total of 1,358 Leads.

Table 4A

Operational Franchise Outlet: Preservan Dallas		
	2025 Calendar Year	
	Total	% ¹
Gross Sales	\$612,000	100.00%
Less:		
Technician Labor Cost	(\$169,413)	27.68%
Product and Supply Cost	(\$25,008)	4.09%
Direct Gross Profit	\$417,579	68.23%
Less: Select Disclosed Expenses		
Service Vehicle Fuel and Maintenance Expenses	(\$6,662)	1.09%
Insurance	(\$40,308)	6.59%
Marketing	(\$75,637)	12.36%
Direct Gross Profit Less Select Disclosed Expenses	\$294,972	48.20%
Less: Adjustments for Select Franchise Related Expenses		
Royalty Fee ²	(\$42,840)	7.00%
Brand Development Fund Fee ³	(\$6,120)	1.00%
Local Marketing ⁴	N/A	N/A
Software Fee ⁵	(\$5,820)	0.95%
Contact Center Fee ⁶	(\$4,200)	0.69%
+ Per Invoice	(\$4,320)	0.71%
Advertising Management Fee ⁷	(\$4,200)	0.69%
Direct Gross Profit Less Select Disclosed Expenses and Select Franchise Related Expenses⁸	\$227,472	37.17%