

PROVISION	SECTION IN FRANCHISE AGREEMENT	SUMMARY
or expires		or within the operating territory of any other ZEROREZ franchisee for a period of 18 months, subject to applicable state law.
s. Modification of the agreement	Section 15.5	No modifications generally unless in writing signed by both parties, but ZEROREZ System and Manuals subject to change by ZEROREZ in our sole discretion.
t. Integration/merger clause	Section 15.5	Only the terms of the Franchise Agreement and other related agreements are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 15.11	Arbitration is mandatory and, except for certain claims, must be conducted in Utah, subject to applicable state law.
v. Choice of forum	Section 15.10	Arbitration must take place in the county in which our principal headquarters are located (currently Utah County, Utah), subject to applicable state law. Litigation may be filed in Utah, subject to applicable state law.
w. Choice of law	Section 15.10	Utah law applies, subject to applicable state law.

ITEM 18. PUBLIC FIGURES

We currently do not use any public figures 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 tables present unaudited information about the revenues, certain expenses and Contribution Margin (Gross Margin less Advertising & Marketing expense) of certain Zerorez franchise operations from each participating franchisee's operations for the year 2025 (the "Operational Period"). Five franchises closed during 2025. Two franchisees transferred their franchise to a new owner during 2025. None of these locations are included in these tables. The numbers in Tables 1 below include all franchisees that reported to us and that had at least one year of operating history. The numbers presented in Table 2 represent the average percentage of total Gross Revenues received by month to show the seasonality of the business.

TABLE 1

Franchises with at least one year of operating history

Zerorez has 60 total franchisees, 43 of which are included in Table 1. The information included in Table 1 does not include information from 17 of the franchises because five such franchisees had less than one year of operating history and 12 such franchisees did not properly report to us. Data from all 43 franchisees that meet the criteria are included in Table 1. 14 of the 43 (or 32.6%) franchisees represented in Table 1 actually attained or surpassed the average Gross Revenues results. 21 of the 43 (or 48.8%) franchisees represented in Table 1 actually attained or surpassed the median Gross Revenue results. The numbers below are sorted based on Gross Revenues. **All median, high and low numbers presented for all categories other than Gross Revenues are the numbers for the franchise with the median, high or low Gross Revenues, respectively, and not the median, high or low of all franchises for each expense or earnings category.**

Average Revenue and Contribution Margin for the Fiscal Year					
	Average % of Gross Revenues ²	Average	Median	High	Low
Gross Revenues ¹	100	\$1,428,301	\$890,136	\$12,914,633	\$31,163
Costs of Goods Sold ³	42.5	\$606,835	\$442,085	\$6,075,499	\$15,667
Gross Profit ⁴	57.5	\$821,466	\$448,051	\$6,839,134	\$15,496
Advertising & Marketing ⁵	19	\$270,778	\$220,488	\$1,919,463	\$26,414
Contribution Margin	38.6	\$550,688	\$227,563	\$4,919,671	\$(10,918)

Average Gross Revenues per Mobile Unit per Month: \$15,717

Average Number of Mobile Units in January 2025:	8
Average Number of Mobile Units in December 2025:	8
Percentage Change in Number of Mobile Units in 2025:	0%

TABLE 2

Average Percentage of Total Gross Revenue by Month (Seasonality)

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
6.3%	6.1%	7.5%	8.6%	9.2%	9.2%	9.2%	9.0%	8.6%	9.5%	9.1%	7.7%

Item 19 Notes

1. **Gross Revenues.** As used herein “**Gross Revenues**” means that aggregate amount of all sales of Zerorez products and Services made and rendered in connection with the operation of a Zerorez franchise, excluding all federal, state or municipal sales or use taxes collected from customers and paid to the appropriate taxing authority. These financial representations include some franchisees who offer commercial services. Commercial services account for approximately 10% of revenue in the overall Zerorez franchise system.
2. **Percentage of Gross Revenues.** This column lists the percent of Gross Revenues that each category represents.
3. **Costs of Goods Sold.** Costs of Goods Sold include the actual price paid for products, chemicals and all items used in a Zerorez franchise operation. Costs of Goods Sold also include customer refunds, cash discounts, charges for damaged products and other waste, as well as drop charges, packaging and shipping charges, certain supplies and other goods. Also not reflected in either Costs of Goods Sold or General Administrative Expenses below, is compensation paid in cash distributions taken by the owner(s) of each Zerorez franchise.
4. **Gross Profit.** This is Gross Revenues minus Costs of Goods Sold as such terms are defined and described herein.
5. **Advertising and Marketing Expenses.** These include all costs of marketing and advertising in a Zerorez franchise, such as national brand fund fees, radio, print, television ad other advertising media as well as fliers, point of sale advertising, etc.
6. **Contribution Margin.** This means Gross Profit less Advertising & Marketing expenses.

Written substantiation for the financial performance representation will be made available to you upon reasonable request.

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

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 Chantelle Lawrence at 772 E Utah Valley Dr #120, American Fork, Utah 84003 or by phone at (801) 899-5116, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

TABLE 1: SYSTEM-WIDE OUTLET SUMMARY FOR (FISCAL) YEARS 2023 TO 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	53	55	+2
	2024	55	57	+2
	2025	57	60	+3
Company Owned	2023	21	20	-1
	2024	20	22	+2
	2025	22	22	0
Total Outlets	2023	74	75	+1
	2024	75	79	+4
	2025	79	82	+3

TABLE 2: TRANSFER OF OUTLETS FROM FRANCHISEE TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR (FISCAL) YEARS 2023 TO 2025

State	Year	Number of Transfers
South Carolina	2023	0
	2024	0
	2025	1
Washington	2023	0
	2024	0
	2025	1
Total	2023	0
	2024	0
	2025	2