

w. Choice of law	18.F.	New Jersey law will govern. However, this provision is subject to state law and as otherwise disclosed in <u>Exhibit I</u> to this Disclosure Document.
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ITEM 18

PUBLIC FIGURES

We do not currently use any public figure to promote our franchise. No public figure is currently involved in our management.

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.

We currently require all franchise owners to provide periodic revenue and other financial reports concerning their Franchises (They provide it through direct requests by our corporate team, or through the CRM system that they are required to report their monthly financial reports). In Early 2024 we reconciled the revenue and other information provided by the franchisees relating to the operation of their Clozetivity Business during 2023. We have presented 2023 financial information from 11 franchisees (the “Represented Franchise Owners”) who collectively own 25 Clozetivity Businesses (the “Represented Franchises”), who have owned their businesses at least one (1) year as of December 31, 2023, and operated those franchises throughout all of 2023. We excluded 10 franchise and 24 territories from this Item 19 that did not meet the criteria.

The Represented Franchise Owners have been in business for an average of 1.5 years in their markets and operate in a mix of urban, suburban, and rural areas, disbursed geographically throughout the U.S. Some operate on a part-time basis; however, all offer the same products and services that we authorize new Clozetivity Businesses to sell.

In the below charts, we present the historical financial performance of the Represented Franchise Owners during the one (1) year period from January 1, 2023, to December 31, 2023 (the “Measurement Period”). Each category in the charts is defined in more detail in the notes below the charts.

In the below charts, we present the average and median revenue of the Represented Franchise Owners divided into quartiles, and the top and bottom five percent (5%) of Represented Franchise Owners during the Measurement Period.

Group Ranked by Average revenue	Number of Owners	Number of Active Territories	Average Active Territories per owner	Average Revenue per owner
TOP 5%	1	2	2	\$2,457,012
1 st Quartile	3	6	2	\$1,532,298
2 nd Quartile	3	6	2	\$430,651
3 rd Quartile	2	6	3	\$194,801
4 th Quartile	3	7	2.3	\$122,411
Bottom 5%	1	2	2	\$112,607
TOTAL	11	25	2.5	\$512,116

Group Ranked by Average revenue	Max Revenue per owner	Minimum Revenue per owner	Average revenue Per Active Owner
TOP 5%	\$2,457,012	\$2,457,012	\$2,457,012
1 st Quartile	\$2,457,012	\$674,299	\$1,532,298
2 nd Quartile	\$674,299	\$226,591	\$430,651
3 rd Quartile	\$226,591	\$168,474	\$194,801
4 th Quartile	\$138,544	\$112,607	\$122,411
Bottom 5%	\$112,607	\$112,607	\$112,607
TOTAL	-----	-----	\$512,116

Job and Job Size

January-December 2023, 11 Responding Franchisees:

Total Jobs: 937

Average Job: \$6,339.00

Notes:

1. The figures in these tables reflect the actual results reported by the Represented Franchise Owners. "Revenue" means the total dollar amount of all sales generated through the Clozetivity Business for a given period, including, but not limited to, payment for any services or products sold, whether for cash or credit, in services in kind, from barter and/or exchange, payment for any services or products sold, or otherwise, less any sales tax or bona fide refunds to customers for non-salvageable item. "Revenue" does not include (i) bona fide refunds to customers, (ii) sales tax collected, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of prepaid cards or similar products (but the redemption of any such card or product will be included as "Revenue"). The figures in these tables reflect the actual results reported by the Represented Franchise Owners through reports and the CRM system.
2. "Number of Owners", reflects the number of individual franchisee owners in each measured category out of the total 11 Represented Franchise Owners.
3. "Number of Active Territories", reflects the number of individual franchise businesses in each measured category out of the total 25 Represented Franchises.
4. "Average Active Territories per Owner" reflects the average number of franchises each individual franchisee owns.
5. "Average Revenue per Owner" reflects the average of the total annual revenue that the Represented Franchise Owners reported.

This financial performance representation does not report other variable costs or fixed operating expenses, or other costs or expenses that must be deducted from the revenue figures to obtain net income or profit.

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

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize its 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 Curt Swanson, COO, 277 Route 70 STE 227 Toms River, New Jersey 08755, 888-256-9384, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	9	+9
	2022	9	26	+17
	2023	26	57	+31
Company Owned	2021	0	0	0
	2022	0	1	+1
	2023	1	-1	0
Total Outlets	2021	0	9	+9
	2022	9	27	+18
	2023	27	57	+30

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2021 to 2023

State	Year	Number of Transfers
None	2021	0
	2022	0
	2023	0