

## **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.

### **BACKGROUND**

As of December 31, 2023, we had 34 franchise owners in 79 Territories (each, a “Franchise Owner”) and three affiliates (each, an “Affiliate Owner”) open and operating.

This Financial Performance Representation includes data in connection with 14 Franchise Owners operating in 30 Territories.

This Financial Performance Representations set forth the Average, Median, High, and Low Total Projects Sold, Dollars Collected from Projects Sold, Average Project Amount, Gross Profit Margin, Wages, Certain Marketing and Operations Expenses, and Adjusted Net Income for the Franchise Owners, split into the top 25%, top 50%, bottom 50%, and bottom 25% during the 2023 calendar year (the “Measurement Period”).

This Financial Performance Representation excludes data in connection with (i) seven Franchise Owners operating in a total of 13 Territories since those owners opened during the Measurement Period and were not otherwise open the entire Measurement Period, (ii) one Franchise Owner that operates in four territories where that Franchise Owner opened in two of the four Territories during the Measurement Period and their other two Territories were inactive for at least 45 days during the Measurement Period as a result of staffing shortages, (iii) one Franchise Owner that operates in three Territories that received an assignment of those Territories during the Measurement Period, (iv) one Franchise owner that operates in two Territories that received an assignment of those Territories during the Measurement Period and was inactive for at least 45 days during the Measurement Period as a result of not staffing their business based on our recommendations, (v) one Franchise Owner operating in five Territories where the owner receiving an assignment of two Territories during the Measurement Period and was inactive for at least 45 days during the Measurement Period as a result of not staffing their business based on our recommendations, and (vi) nine Franchise Owners operating in 22 Territories where those owners were inactive for at least 45 days during the Measurement Period and not staffing their business based on our recommendations.

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Projects Sold				
Franchise Owners	Average Amount	Median Amount	High Amount	Low Amount
Top 25% (3)	\$2,577,944	\$1,959,400	\$3,896,727	\$1,877,703
Top 50% (7)	\$1,706,643	\$1,382,018	\$3,896,727	\$786,083
Bottom 50% (7)	\$1,484,259	\$404,080	\$683,268	\$349,607
Bottom 25% (4)	\$381,523	\$386,202	\$404,080	\$349,607
<b>All (14)</b>	<b>\$1,095,451</b>	<b>\$734,675</b>	<b>\$3,896,727</b>	<b>\$349,607</b>

1. Of the Top 25%, 1/3 or 33% met or exceeded the Average Amount.
2. Of the Top 50%, 3/7 or 43% met or exceeded the Average Amount.
3. Of the Bottom 50%, 3/7 or 43% met or exceeded the Average Amount.
4. Of the Bottom 25%, 2/4 or 50% met or exceeded the Average Amount.

Percentage of Dollars Collected from Projects Sold				
Franchise Owners	Average Amount	Median Amount	High Amount	Low Amount
Top 25% (3)	100%	100%	100%	100%
Top 50% (7)	98%	100%	100%	93%
Bottom 50% (7)	48%	49%	84%	9%
Bottom 25% (4)	29%	29%	49%	9%
<b>All (14)</b>	<b>73%</b>	<b>89%</b>	<b>100%</b>	<b>9%</b>

1. Of the Top 25%, 3/3 or 100% met or exceeded the Average Amount.
2. Of the Top 50%, 5/7 or 71% met or exceeded the Average Amount.
3. Of the Bottom 50%, 4/7 or 57% met or exceeded the Average Amount.
4. Of the Bottom 25%, 2/4 or 50% met or exceeded the Average Amount.

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Average Project Amount				
Franchise Owners	Average Amount	Median Amount	High Amount	Low Amount
Top 25% (3)	\$88,267	\$36,110	\$194,836	\$33,856
Top 50% (7)	\$45,012	\$12,948	\$194,836	\$12,230
Bottom 50% (7)	\$8,829	\$8,247	\$12,219	\$5,355
Bottom 25% (4)	\$6,946	\$7,090	\$8,247	\$5,355
<b>All (14)</b>	<b>\$26,921</b>	<b>\$12,225</b>	<b>\$194,836</b>	<b>\$5,355</b>

1. Of the Top 25%, 1/3 or 33% met or exceeded the Average Amount.
2. Of the Top 50%, 1/7 or 14% met or exceeded the Average Amount.
3. Of the Bottom 50%, 3/7 or 43% met or exceeded the Average Amount.
4. Of the Bottom 25%, 2/4 or 50% met or exceeded the Average Amount.

Gross Profit Margin				
Franchise Owners	Average Amount	Median Amount	High Amount	Low Amount
Top 25% (3)	55%	52%	63%	51%
Top 50% (7)	51%	49%	63%	46%
Bottom 50% (7)	42%	41%	45%	38%
Bottom 25% (4)	40%	41%	41%	38%
<b>All (14)</b>	<b>46%</b>	<b>46%</b>	<b>63%</b>	<b>38%</b>

1. Of the Top 25%, 1/3 or 33% met or exceeded the Average Amount.
2. Of the Top 50%, 3/7 or 43% met or exceeded the Average Amount.
3. Of the Bottom 50%, 3/7 or 43% met or exceeded the Average Amount.
4. Of the Bottom 25%, 3/4 or 75% met or exceeded the Average Amount.

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Wage Margin				
Franchise Owners	Average Amount	Median Amount	High Amount	Low Amount
Top 25% (3)	0%	0%	0%	0%
Top 50% (7)	3%	0%	10%	0%
Bottom 50% (7)	14%	11%	25%	10%
Bottom 25% (4)	17%	17%	25%	11%
<b>All (14)</b>	<b>9%</b>	<b>10%</b>	<b>25%</b>	<b>0%</b>

1. Of the Top 25%, 3/3 or 100% met or exceeded the Average Amount.
2. Of the Top 50%, 5/7 or 71% met or exceeded the Average Amount.
3. Of the Bottom 50%, 4/7 or 57% met or exceeded the Average Amount.
4. Of the Bottom 25%, 2/4 or 50% met or exceeded the Average Amount.

Certain Marketing and Operations Expenses Margin				
Franchise Owners	Average Amount	Median Amount	High Amount	Low Amount
Top 25% (3)	13%	13%	17%	8%
Top 50% (7)	16%	18%	20%	8%
Bottom 50% (7)	27%	28%	31%	23%
Bottom 25% (4)	30%	30%	31%	28%
<b>All (14)</b>	<b>22%</b>	<b>22%</b>	<b>31%</b>	<b>8%</b>

1. Of the Top 25%, 2/3 or 66% met or exceeded the Average Amount.
2. Of the Top 50%, 2/7 or 29% met or exceeded the Average Amount.
3. Of the Bottom 50%, 3/7 or 43% met or exceeded the Average Amount.
4. Of the Bottom 25%, 2/4 or 50% met or exceeded the Average Amount.

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Adjusted Earnings Margin				
Franchise Owners	Average Amount	Median Amount	High Amount	Low Amount
Top 25% (3)	35%	32%	43%	30%
Top 50% (7)	29%	27%	43%	22%
Bottom 50% (7)	12%	9%	20%	7%
Bottom 25% (4)	8%	7%	9%	7%
<b>All (14)</b>	<b>20%</b>	<b>21%</b>	<b>43%</b>	<b>7%</b>

1. Of the Top 25%, 1/3 or 33% met or exceeded the Average Amount.
2. Of the Top 50%, 3/7 or 43% met or exceeded the Average Amount.
3. Of the Bottom 50%, 3/7 or 43% met or exceeded the Average Amount.
4. Of the Bottom 25%, 1/4 or 25% met or exceeded the Average Amount.

#### **Notes to Item 19**

1. “Average” which is also known as the “mean,” means the sum of all data points in a set, divided by the total number of data points in that set.
2. “Median” means the data point that is in the center of all data points used in a set. 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.
3. “High” means the largest or highest number in a data set.
4. “Low” means the smallest or lowest number in a data set.
5. “Projects Sold” means the total number of projects that were booked.
6. “Percentage of Dollars Collected from Projects Sold” is calculated by taking the total dollars actually collected and dividing that number by the total Projects Sold.
7. “Average Project Amount” is calculated by taking the total Projects Sold and dividing that amount by the number of projects that were booked.
8. “Gross Profit Margin” is calculated by taking the Total Dollars Collected and subtracting the Materials and Subcontractor Labor from that amount. We then took the difference of those amounts and divided it by the Total Dollars Collected and multiplied it by 100 to get the Gross Profit Margin percentage.
9. “Wage Margin” includes costs such as payroll expenses, taxes, and processing. It does not include amounts paid to subcontractors. Wage Margin is calculated by adding together payroll expenses, taxes, and processing and dividing that amount by the Total Dollars Collected. We then took the

quotient of that amount and multiplied it by 100 to get the Wage Margin percentage.

10. “Certain Marketing and Operations Expenses Margin” is calculated by adding together the Royalty Fee, Fund Contribution, Technology Fee, Digital Marketing Requirement, Local Advertising Requirement, Call Center Fees, automobile expenses, insurance, supplies, and equipment and dividing that amount by the Total Dollars Collected by each franchisee.
11. “Adjusted Earnings Margin” is calculated by taking the Gross Profit and subtracting the Certain Marketing and Operation Expenses from that amount. We then took the product of that amount and divided it by the Total Dollars Collected and multiplied it by 100 to get the Adjusted Earnings Margin percentage.
12. Written substantiation for the financial performance representation will be made available upon reasonable request.
13. **Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

Other than the preceding financial performance representation, we do not make any financial performance representations. Franchisor also does not authorize our employees or representatives to make any such representations orally or in writing. If you are purchasing an existing Business, 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 our President, Nick Lopez, at 4950 S Yosemite St F2 #121 Greenwood Village, CO 80111, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20

### OUTLETS AND FRANCHISEE INFORMATION

**Table 1**  
**SYSTEM-WIDE OUTLET SUMMARY**  
**FOR YEARS 2021 TO 2023**

<b>Outlet Type*</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2021	4	31	+27
	2022	31	65	+34
	2023	65	79	+14
Company-Owned	2021	2	2	0
	2022	2	2	0
	2023	2	3	+1
<b>Total Outlets</b>	<b>2021</b>	<b>6</b>	<b>33</b>	<b>+27</b>
	<b>2022</b>	<b>33</b>	<b>67</b>	<b>+34</b>
	<b>2023</b>	<b>67</b>	<b>82</b>	<b>+15</b>

\*For purposes of this Item 20, Outlet is defined as a Territory.