

## 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 franchised location or under particular circumstances.

As of December 31, 2023, we had 70 franchised Surface Experts Businesses (each a “Franchised Location”). The tables below provide information for the 53 Franchised Locations that were open and operating for at least 12 months as of the end of the 2023 calendar year (“Reporting Group”).

The Franchised Locations whose results are presented in this Item 19 were located in territories with a population ranging from 331,015 – 1,505,332.

The information in the tables below is a historical financial performance representation for the 2023 calendar year for the Reporting Group (the “Reporting Period”). The financial information was prepared from internal accounting records and reports.

### FPR #1

#### Franchised Outlets’ 2023 Annual Gross Revenue (by Performance Tier)

The following table presents Annual Gross Revenue information for our franchised outlets during the 2023 calendar year. Each of the outlets included in the tables below had been open for at least a year and operated for the entire reporting year. In 2022, we had 53 franchised outlets that operated the entire year. Here, we set forth the Gross Revenue of those 53 franchised outlets, sorting the outlets by their Average Annual Gross Revenue.

Performance Tier	Number of Outlets in the Quartile	Lowest Gross Revenue in the Quartile	Median Gross Revenue for the Quartile	Average Gross Revenue for the Quartile	Highest Gross Revenue for the Quartile	# (and %) of outlets in the Quartile that attained or surpassed Average Gross Revenue for the Quartile
Top 25%	13	\$685,669.50	\$912,878.72	\$1,034,352.45	\$2,421,814.90	5 (38.46%)
Second 25%	14	\$392,844.78	\$531,513.98	\$509,256.23	\$651,598.59	8 (57.14%)
Third 25%	13	\$282,971.89	\$353,969.42	\$388,899.00	\$343,790.05	8 (61.54%)

Bottom 25%	13	\$145,316.05	\$188,421.75	\$280,575.00	\$202,570.12	4 (30.77%)
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In the table above, the territory population ranges in each quartile above are as shown in the following table:

Performance Tier	Population of Territory with Lowest Population in This Tier	Median Population in This Tier	Average Population in This Tier	Population of Territory with Highest Population in This Tier
Top 25%	480,205	648,831	804,981	1,505,332
Second 25%	341,221	469,789	480,566	849,441
Third 25%	343,227	486,087	496,022	677,757
Bottom 25%	331,015	546,341	545,179	1,146,782

**FPR #2**  
**Selected Revenue and Expenses for the Reporting Group**  
**During the 2023 Reporting Period**

53 Franchised Locations in 2023		Average	Median	# and % that met or exceeded average
Income – Key Indicators	Gross Revenue Per Job <sup>1</sup>	\$413.40	\$275.00	27 / 50.94%
	Revenue Per Repair	\$223.36	\$199.00	26 / 49.06%
Expenses – Key Indicators <sup>6</sup>	Monthly Rent <sup>2</sup>	(\$372.63)	(\$191.73)	35 / 67.31%
	Cost of Goods Sold Per Job <sup>3</sup>	(\$29.56)	(\$23.77)	32 / 61.54%

**Notes Applicable to both FPR's**

The information is based on information generated from monthly reports that were provided to us by the franchisees for the periods cited.

1. For purposes of this Item 19, “Gross Revenue” means the revenue received from services performed at, from, or through the Surface Experts Business. “Gross Revenue Per Job” is the total Gross Revenue received from a single job. “Revenue Per Repair” is the revenue received from a single repair. There may be more than one repair on any given job. The highest Gross Revenue Per Job was \$694.49 and the lowest was \$210.55.
2. “Monthly Rent” is the cost of rent for office space. Some franchises have a home office while others have a commercial office space.

3. Cost of goods sold per job is calculated as the value of product (filler, paint, etc.) and other materials used up in the performance of each job. It is based on the value of product or cost of goods sold as reported to us by franchisees.
4. The financial performance representations in Table 1 do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.
5. Expenses not shown in Table 1 do not include royalties, support center fees, technology fees, accounting expenses, bank fees, uniforms, marketing expenses, tools, compliance costs, interest expense, meals and entertainment, advertising, cell phone, automobile, insurance, repair and maintenance, federal taxes, depreciation and amortization.
6. We had 52 franchisees report Rent and COGS information to us. We averaged those responses to compile the Expenses results shown in Table 2.

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

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

Other than the preceding financial performance representation, Surface Experts Franchising LLC does 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 Jacob Grady, 159 South Lincoln St., Suite 321, Spokane, WA 99201, and 509-381-5884, the Federal Trade Commission, and the appropriate state regulatory agencies.

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**Item 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

Systemwide Outlet Summary  
For Years 2021 - 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2021	22	34	+12
	2022	34	58	+24
	2023	58	70	+12
Company-Owned	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Total Outlets	2021	22	34	+12
	2022	34	58	+24
	2023	58	70	+12

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)  
For Years 2021 - 2023

State	Year	Number of Transfers
California	2021	0
	2022	0
	2023	1
Georgia	2021	0
	2022	0
	2023	1
Missouri	2021	1
	2022	0
	2023	0
Washington	2021	1
	2022	0
	2023	0
Totals	2021	2
	2022	0
	2023	2