

Provision	Section in Franchise or Other Agreement	Summary
t. Integration/merger clause	Section 22.7	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the franchise disclosure document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Sections 23.7 and 23.8	Claims, controversies, or disputes from or relating to the Franchise Agreement must be mediated, and if mediation is unsuccessful, submitted to arbitration, except for actions seeking injunctive relief and actions we bring which are related to or based on our Marks or Confidential Information or for actions related to monies past due. There is no requirement to mediate after termination of the Franchise Agreement.
v. Choice of forum	Section 23.2	Mediation at the AAA office in the city in which we maintain our principal business address, currently Lake Mary, Florida (subject to applicable state law). Venue for any other proceeding is exclusively the courts located in the county in which we maintain our principal business address, currently Seminole County, State of Florida (subject to applicable state law). See the State Specific Addenda attached to this disclosure document.
w. Choice of law	Section 23.1	Florida law applies (subject to applicable state law). See the State Specific Addenda attached to this disclosure document.

ITEM 18 PUBLIC FIGURES

We do not presently 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 only be given 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.

Part 1. Financial Performance.

This financial performance representation discloses historical financial information regarding the profit and loss information of Wise Coatings outlets operating from at least January 1, 2023 through December 31, 2023 (“Measurement Period”). As of December 31, 2023, there were fourteen (14) franchised and one (1) corporate owned Wise Coatings outlets.

Tables 1 and 2 represent the profit and loss information for our five franchised outlets operating during the Measurement period.

Table 1 - Highest, Lowest, and Median Franchise Locations						
2023 Profit and Loss Statement	Highest		Lowest		Median	
Total Income	\$731,581.42		\$280,982.20		\$498,595.32	
Auto Fuel and Maintenance	13,108.37	1.79%	\$2,832.57	1.01%	\$8,670.18	1.74%
Coating Supplies	268,653.92	36.72%	\$71,230.09	25.35%	\$146,664.18	29.42%
Equipment Rentals	4,095.02	0.56%	\$120.70	0.04%	\$1,224.55	0.25%
Materials, Small Tools & Supplies	7,970.82	1.09%	\$5,878.50	2.09%	\$6,880.39	1.38%
Total Payroll - Technicians	137,332.50	18.77%	\$44,026.59	15.67%	\$84,944.91	17.04%
Total Cost of Goods Sold	431,160.63	58.94%	\$124,088.45	44.16%	\$248,384.21	49.82%
Gross Profit	\$300,420.79	41.06%	\$156,893.75	55.84%	\$250,211.12	50.18%
Advertising & Marketing	42,468.80	5.81%	\$28,410.96	10.11%	\$55,207.30	11.07%
Total Auto Expense	5,819.14	0.80%	\$16,227.80	5.78%	\$9,678.70	1.94%
Total Merchant Processing Fees	13,540.31	1.85%	\$8,380.51	2.98%	\$10,220.17	2.05%
Insurance	22,377.15	3.06%	\$2,302.00	0.82%	\$8,302.16	1.67%
Legal & Professional Services	697.00	0.10%	\$0.00	0.00%	\$803.40	0.16%
Recruiting & Hiring Expenses	1,539.22	0.21%	\$2,301.47	0.82%	\$1,204.83	0.24%
Software & Apps Expenses	4,273.04	0.58%	\$198.00	0.07%	\$1,462.16	0.29%
Total Admin Payroll Expenses	26,550.99	3.63%	\$0.00	0.00%	\$27,575.79	5.53%
Rent & Lease	879.83	0.12%	\$18,000.00	6.41%	\$8,422.28	1.69%
Utilities	1,349.33	0.18%	\$1,826.19	0.65%	\$1,654.63	0.33%
All Other Expenses	23,029.91	3.15%	\$7,177.34	2.55%	\$11,494.62	2.31%
Total Expenses	142,524.72	19.48%	\$84,824.27	30.19%	\$136,026.05	27.28%
Profit before Royalties	\$157,896.07	21.58%	\$72,069.48	25.65%	\$114,185.07	22.90%
Additions - Owner Salary & Interest Expense	74,493.40	10.18%	\$0.00 ¹	0%	\$51,173.16	10.26%
Less:						
Royalty Fees	36,579.07	5.00%	\$14,049.11	5.00%	\$24,929.77	5.00%
Royalty Fees -Marketing	14,631.63	2.00%	\$5,619.64	2.00%	\$9,971.91	2.00%
Adjusted Net Profit	\$181,178.77	24.77%	\$52,400.73	18.65%	\$130,456.56	26.16%

Note 1: The franchisee operating this outlet has represented that he took \$50,000.00 of owner's distributions at the end of 2023.

Table 2 - Averages for Franchise Locations 2023		
2023 Profit and Loss Statement		
Total Income	\$498,595.32	
Auto Fuel and Maintenance	8,670.18	1.74%
Coating Supplies	146,664.18	29.42%
Equipment Rentals	1,224.55	0.25%
Materials, Small Tools & Supplies	6,880.39	1.38%
Total Payroll - Technicians	84,944.91	17.04%
Total Cost of Goods Sold	248,384.21	49.82%
Gross Profit	\$250,211.12	50.18%
Advertising & Marketing	55,207.30	11.07%
Total Auto Expense	9,678.70	1.94%
Total Merchant Processing Fees	10,220.17	2.05%
Insurance	8,302.16	1.67%
Legal & Professional Services	803.40	0.16%
Recruiting & Hiring Expenses	1,204.83	0.24%
Software & Apps Expenses	1,462.16	0.29%
Total Admin Payroll Expenses	27,575.79	5.53%
Rent & Lease	8,422.28	1.69%
Utilities	1,654.63	0.33%
All Other Expenses	11,494.62	2.31%
Total Expenses	136,026.05	27.28%
Profit before Royalties	\$114,185.07	22.90%
Additions - Owner Salary & Interest Expense	51,173.16	10.26%
Less:		
Royalty Fees	24,929.77	5.00%
Royalty Fees -Marketing	9,971.91	2.00%
Adjusted Net Profit	130,456.56	26.16%

Table 3 below represents historical financial information regarding the profit and loss statement of our Wise Coatings corporate outlet open during the Measurement Period.

Table 3 - Franchised Location - Corporate Outlet		
2023 Profit and Loss Statement		
Total Income	\$1,370,829.40	

Auto Fuel and Maintenance	\$35,893.21	2.62%
Coating Supplies	\$353,489.66	25.79%
Equipment Rentals	\$741.58	0.05%
Materials, Small Tools & Supplies	\$10,067.94	0.73%
Total Payroll - Technicians	\$275,346.21	20.09%
Total Cost of Goods Sold	\$675,538.60	49.28%
Gross Profit	\$695,290.80	50.72%
Advertising & Marketing	\$133,341.55	9.73%
Total Auto Expense	\$34,314.92	2.50%
Total Merchant Processing Fees	\$23,519.71	1.72%
Insurance	\$24,262.23	1.77%
Legal & Professional Services	\$9,247.40	0.67%
Recruiting & Hiring Expenses	\$2,724.25	0.20%
Software & Apps Expenses	\$12,648.64	0.92%
Total Admin Payroll Expenses	\$82,418.75	6.01%
Rent & Lease	\$25,900.00	1.89%
Utilities	\$16,542.36	1.21%
All Other Expenses	\$24,538.50	1.79%
Total Expenses	\$389,458.31	28.41%
Profit before Royalties	\$305,832.49	22.31%
Additions - Owner Salary & Interest Expense	\$142,902.24	10.42%
Less:		
Royalty Fees	\$68,541.47	5.00%
Royalty Fees -Marketing	\$27,416.59	2.00%
Adjusted Net Profit	\$352,776.67	25.73%

Notes:

Note 1. Gross Revenue represents the total amount of revenue recognized for the Measurement Period. Revenue is recognized upon completion of a job.

Note 2. Nine (9) of fourteen (14) franchised outlets were not open for the full Measurement Period in 2023; therefore, data for those outlets were excluded from this financial performance representation.

Note 3. The monthly Royalty Fee is 5% of Collected Gross Revenue.

Note 4. The Marketing Fee is currently 2% of Collected Gross Revenue, but can be up to 3% of Collected Gross Revenue.

Note 5. We will require you to spend in year 1 of operation the greater of \$1,500 per month or 5% of Collected Gross Revenue per month, and in year 2 thru the term of your franchise agreement 5% of Collected Gross Revenue to market your franchised business in your Territory.

Note 6: The data provided represents that each unit operates in a single protected area.

Part 2. Other Performance Measures.

The following table represents historical information regarding sales and operating productivity of our five Wise Coatings franchised outlets open and operating during the Measurement Period.

Sales Leads, Bookings and Average Sales					
2023 Measurement Period	Franchise Location 1	Franchise Location 2	Franchise Location 3	Franchise Location 4	Franchise Location 5
Number of Opportunities - Estimates	818	234	159	375	431
Number of Job Tickets	273	77	58	238	161
Opportunity Conversion Rate	33.37%	32.91%	36.48%	63.47%	37.35%
Number of Completed Job Tickets	273	77	58	238	161
Average Completed Job Ticket	\$2,291.03	\$3,536.71	\$5,558.31	\$3,232.79	\$3,442.10

The following table represents historical information regarding sales and operating productivity of our one Wise Coatings corporate outlet open and operating during the Measurement Period.

Sales Leads, Bookings and Average Sales	
2023 Measurement Period	
Number of Opportunities - Estimates	479
Number of Job Tickets	227
Opportunity Conversion Rate	47.39%
Number of Completed Job Tickets	227
Average Completed Job Ticket	\$5,690.92

The information included in this financial performance representation are substantially similar to the Franchised Business for which we are offering franchises in this disclosure document, and their services are substantially similar to those to be offered and sold by the business you would operate.

You should conduct an independent investigation of the costs and expenses you will incur in operating your Wise Coatings franchise. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

We have written substantiation in our possession to support the information appearing in this Item 19, and this information will be made available to you on reasonable request.

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 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 Whitney White, Chief Operating Officer, Wise Coatings Franchises LLC, 108 Commerce Street,

Suite 105, Lake Mary, Florida 32746, 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 ¹	Outlets at the End of the Year ¹	Net Change
Franchised	2021	0	2	2
	2022	2	5	+3
	2023	5	1	+9
Company-Owned ¹	2021	0	1	1
	2022	1	1	0
	2023	1	1	0
Total Outlets	2021	0	3	3
	2022	3	6	+3
	2023	6	15	+9

Note 1: This Outlet is owned and operated by our affiliate WC.

Table No. 2

**TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR)
FOR YEARS 2021 to 2023**

State	Year	Number of Transfers
Oregon	2021	0
	2022	0
	2023	0
Total	2021	0
	2022	0
	2023	0

Table No. 3

**STATUS OF FRANCHISE OUTLETS
FOR YEARS 2021-2023**