

w. Choice of law	18.F.	California 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.

DEFINITIONS

(a) Calendar Year – means, as to each respective year, the 12 month period commencing on January 1 and ending on December 31.

(b) Company Owned Outlet – means a Noble Locksmith Business owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document that operates a Noble Locksmith Business. A Company Owned Outlet also includes any Noble Locksmith Business that: (i) is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document; (ii) is managed by us or our affiliate or any person identified in Item 2.

(c) Cost of Goods Sold – means the cost of acquiring merchandise sold to customers, and all materials and supplies directly used to prepare products and/or perform services sold to customers. Cost of Goods Sold does not include Labor Cost.

(d) Disclosed Expenses – refers to a limited selection of expenses as disclosed in the tables to this Item 19, comprised of the following select expense categories: insurance, software, telephone and internet, repair and maintenance, fuel and Google Ads.

(e) Franchise Outlet – means a Noble Locksmith Business operated under a Franchise Agreement that is not a Company Owned Outlet.

(f) Google Ad Expenditures – refers to amounts paid to Google for Google search engine marketing.

(g) Gross Profit – means Gross Sales less Cost of Goods Sold and Labor Cost. Gross Profit is not net profit or Net Income and, except as to Cost of Goods Sold and Labor Cost, does not include the deduction of all other expenses incurred by a Noble Locksmith Business including, but not limited to, general expenses, Operating Expenses, interest, taxes, depreciation, and amortization, or compensation paid to an owner operator of either a Franchise Outlet or Company Owned Outlet.

(h) Gross Sales – means the total revenue derived by each Outlet less only sales tax, discounts, allowances and

returns.

(i) Labor Cost – means the direct non-owner labor expenses incurred in the operations of the Outlet, comprised of wages, payroll taxes, and paid employee benefits, if any. Labor Cost does not include compensation paid to an owner operator of either a Franchise Outlet or Company Owned Outlet.

(j) Net Income – means the income or loss calculated by subtracting from Gross Profit: (i) Operating Expenses; (ii) interest, taxes, depreciation, and amortization; (iii) franchisee related expenses (including royalty and other fees identified in Item 6); and (iv) Operating Expenses.

(k) New Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2022, as to the 2022 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet, see definition below. If this Franchise Outlet remained in operation throughout the 2023 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2023 Calendar Year.

(l) Operating Expenses – means all other ordinary and/or recurring expenses incurred by an Outlet, excluding only Cost of Goods Sold and Labor Cost.

(m) Operational Company Owned Outlet(s) – means, as to a particular Calendar Year, a Company Owned Outlet that was open and in operation on or prior to the commencement of the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2022, as to the 2022 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet, see definition above, and not as an Operational Company Owned Outlet. If this Company Owned Outlet remained in operation throughout the 2023 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2023 Calendar Year.

(n) Operational Franchise Outlet(s) – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation on or prior to the commencement of the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2022, as to the 2022 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet, see definition above, and not as an Operational Franchise Outlet. If this Franchise Outlet remained in operation throughout the 2023 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2023 Calendar Year.

(o) Outlet – refers to both Company Owned Outlets and Franchise Outlets, as the context requires.

(p) YOY Sales Growth – refers to the year over year calculation of the percentage of growth or decline of Gross Sales. YOY Sales Growth is calculated by comparing the Gross Sales achieved during a Calendar Year with Gross Sales achieved during the previous Calendar Year.

BASES AND ASSUMPTIONS

The financial information was prepared on a basis consistent with generally accepted accounting principles. Data for our Company Owned Outlets is based on information reported to us by our affiliates and data for our Operational Franchise Outlets is based on information reported to us by our franchisees. The information in this analysis has not been audited, is based on historical financial data and is not a forecast or projection of future financial performance.

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COMPANY-OWNED OUTLETS

We have one mobile Company Owned Outlet located in San Diego, California. This Company Owned Outlet has been in operation since January 2018 and operates in a market where the Noble Locksmith brand maintains significant awareness among consumers and a significant market presence. The territory in which this Company Owned Outlet operates includes approximately 750,000 people. During the 2021, 2022, 2023 Calendar Years, the Company Owned Outlet operated three full time vehicles. During the 2023 and 2024 Calendar Years, the Company Owned Outlet operated three full time vehicles and one part time vehicle. During the 2021 and 2022 Calendar Years, our Company Owned Outlet operated seven days a week. During the 2023 and 2024 Calendar Years, our Company Owned Outlet operated five days a week and was closed on weekends.

Material financial and operational characteristics that are reasonably anticipated to differ from future operational franchise outlets include: (a) managerial skill and efficiency experienced by our Company Owned Outlets as a result of our extensively experienced management team; (b) brand recognition within the local markets in which our Company Owned Outlets operate; and (c) no obligation to pay ongoing monthly fees that a franchisee will pay to us, such as royalties and a brand development fund fee.

Below in Tables 1 and 2 we report select financial performance data as to our Operational Company Owned Outlet and each Operational Franchise Outlet during the respective Calendar Years.

Table 1

Operational Company Owned Outlet

2021 to 2022 YOY Sales Growth - 4.98%; 2022 to 2023 YOY Sales Growth – (17.42)%
2023 to 2024 YOY Sales Growth – 6.49%

	2021 Calendar Year		2022 Calendar Year		2023 Calendar Year		2024 Calendar Year	
	Total	% ¹	Total	Total	Total	% ¹	Total	% ¹
Gross Sales	\$940,606	100.00%	\$987,424	100.00%	\$840,907	100.00%	\$895,495	100.00%
Cost of Goods Sold	(\$119,690)	12.72%	(\$105,494)	10.68%	(\$83,433)	9.92%	(\$89,356)	9.97%
Labor Cost	(\$258,980)	27.53%	(\$278,045)	28.15%	(\$262,265)	31.18%	(\$282,951)	31.59%
Gross Profit	\$561,936	59.74%	\$603,885	61.15%	\$495,209	58.89%	\$523,188	58.42%

Table 2

Operational Company Owned Outlet

Disclosed Expenses

	2021 Calendar Year		2022 Calendar Year		2023 Calendar Year		2024 Calendar Year	
	Total	% ¹						
Disclosed Expenses:								
Insurance	(\$15,540)	1.65%	(\$16,410)	1.66%	(\$20,571)	2.44%	(\$32,362)	3.61%
Software	(\$8,528)	0.91%	(\$8,873)	0.90%	(\$10,799)	1.28%	(\$17,025)	1.90%
Google Ads	(\$201,524)	21.42%	(\$256,632)	26.00%	(\$236,253)	28.10%	(\$162,640)	18.16%
Telephone & Internet	(\$3,931)	0.42%	(\$3,883)	0.39%	(\$3,968)	0.47%	(\$4,482)	0.50%
Repair & Maintenance	(\$1,300)	0.14%	(\$4,423)	0.45%	(\$495)	0.05%	(\$375)	0.04%
Fuel	(\$15,962)	1.70%	(\$23,260)	2.36%	(\$25,216)	2.99%	(\$35,299)	3.94%

Notes to Table:

¹ “%” represents the percentage of Gross Sales as reported in Table 1 for the respective Calendar Years.

FRANCHISE OUTLETS

We began franchising on January 28, 2022. During the 2021 Calendar Year, we did not have any Franchise Outlets.

During the 2022 Calendar Year, we had a total of 6 Franchise Outlets. Of these Franchise Outlets, none qualified as Operational Franchise Outlets and 6 qualified as New Franchise Outlets. We do not include data for the 6 New Franchise Outlets during the 2022 Calendar Year because they were not open for the full 2022 Calendar Year.

During the 2023 Calendar Year, we had a total of 11 Franchise Outlet, of which 3 qualified as Operational Franchise Outlets. Our remaining Franchise Outlets qualified as New Franchise Outlets and were not open during the full 2023 Calendar Year. We do not include data for the New Franchise Outlets during the 2023 Calendar Year because they were not open for the full 2023 Calendar Year.

During the 2024 Calendar Year, we had a total of 13 Franchise Outlets, of which 9 qualified as Operational Franchise Outlets. Our remaining Franchise Outlets were New Franchise Outlets and/or left the System during the 2024 and therefore were not open during the full 2024 Calendar Year. We do not disclose data for Franchise Outlets that were not open for the entire 2024 Calendar Year.

With the exception of our Stratford, Connecticut Outlet, all of our Operational Franchise Outlets operate within the equivalent of one Territory, utilizing one service vehicle.

Below in Table 3 we provide information for our Operational Franchise Outlets during the 2023 and 2024 Calendar Years.

Table 3 Operational Franchise Outlets Gross Sales Data and Google Ad Expenditures for the 2023 and 2024 Calendar Years				
	2023 Calendar Year		2024 Calendar Year	
Outlet Name	Gross Sales	Google Ad Expenditures	Gross Sales	Google Ad Expenditures
Midlothian, VA	\$290,897	\$32,894	\$359,248	\$6,079
Nettleton, MS	\$246,317	\$0	\$224,412	\$0
Las Vegas, NV	\$130,685	\$43,947	\$15,236 ¹	\$1,498
Menifee, CA	N/A	N/A	\$170,373	\$29,741
Dunwoody, GA	N/A	N/A	\$190,069	\$45,139
Stratford, CT	N/A	N/A	\$500,538	\$54,174
Seminole, OK	N/A	N/A	\$93,749	\$0
Round Rock, TX	N/A	N/A	\$182,425	\$20,664
Santa Fe, NM	N/A	N/A	\$48,952	\$3,041

¹ Outlet paused operations temporarily in 2024 but is still an existing Outlet.

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

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Other than the preceding financial performance representations, Noble Franchising, Inc. 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 Shawn Michael Fago, Noble Franchising, Inc. at 1150 J Street, Unit 404, San Diego, California 92101 and (619) 304-6128, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	3	+3
	2023	3	11	+8
	2024	11	13	+2
Company Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	1	4	+3
	2023	4	12	+8
	2024	12	14	+2

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2022 to 2024

State	Year	Number of Transfers
None	2022	0
	2023	0
	2024	0