

PROVISION	SECTION IN FRANCHISE AGREEMENT ¹	SUMMARY
(r) Non-competition covenants after the franchise is terminated or expires	Section 15.D of the Franchise Agreement	For 2 years, no direct or indirect ownership interest in, or performing services for, or leasing premises to, a competitive business within 10 miles of your Center or within 5 miles of any other Center (same restrictions apply after transfer) (subject to state law). If you operate an IDB Center, we will not enforce the non-compete obligations as they relate to your independent print business as long as you are in compliance with the post-term obligations under the Franchise Agreement, the independent print business does not provide products or services we direct or authorize <i>Image360</i> Centers to sell, and the ownership of your independent print business remains unchanged.
(s) Modification of the agreement	Section 17.M of the Franchise Agreement	No modifications except in writing, but we may change Operations Materials and System Standards.
(t) Integration/merger clause	Section 17.O of the Franchise Agreement	Only the terms of the Franchise Agreement and other related written agreements (including System Standards in the Operations Materials) are binding (subject to applicable state law). Any representations or promises outside of the Disclosure Document and the Franchise Agreement may not be enforceable.
(u) Dispute resolution by arbitration or mediation	Section 17.G of the Franchise Agreement	We and you must arbitrate all disputes at a location within 50 miles of our or, as applicable, our successor's or assign's then-current principal place of business (currently, Plymouth, Michigan) (subject to state law).
(v) Choice of forum	Section 17.I of the Franchise Agreement	Subject to arbitration requirement, litigation must be exclusively in the state or federal court which is closest to our or, as applicable, our successor's or assign's then-current principal place of business (currently, Plymouth, Michigan) (subject to state law).
(w) Choice of law	Section 17.H of the Franchise Agreement	Except for U.S. Federal Arbitration Act and other federal laws in the U.S., laws of State of Michigan (subject to state law).

ITEM 18 PUBLIC FIGURES

We do not use any public figure 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 this Disclosure Document. Financial performance information that differs from any included in this Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet that 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.

A. METHODS OF CALCULATION

If a *Signs Now* Center or *Signs By Tomorrow* Center converted to an *Image360* Center during any applicable fiscal year, the data for that Center is reported as an *Image360* Center for that entire year (including periods of time that Center operated as a *Signs Now* Center or *Signs By Tomorrow* Center).

This Item 19 does not include any data from the *Signs By Tomorrow* Centers or *Signs Now* Centers that are currently operating under the *Signs By Tomorrow* Marks or *Signs Now* Marks, as these franchises are not currently offered to franchisees as new Centers. If you are interested in acquiring an existing *Signs By Tomorrow* Center or *Signs Now* Center, you may obtain information about the specific Center's operational data from the Center's franchisee (for which contact information is noted on Exhibit P).

B. ANNUAL GROSS SALES¹ FOR FRANCHISED IMAGE360 CENTERS DURING CALENDAR YEAR 2024

The numbers in this Section B reflect the annual Gross Sales of all 119 franchised *Image360* Centers located in the United States that were in operation for at least one full calendar year as of December 31, 2024, and exclude 2 *Image360* Centers that were open less than one full calendar year as of December 31, 2024, 8 *Image360* Centers that were transferred during the calendar year, and 2 *Image360* Centers that provided sales information that was aggregated with another business, and 2 that closed during 2024. The numbers in this Section B are provided on a single *Image360* Center basis, and have not been aggregated for franchisees that operate multiple Centers.

	<u>Centers Open More Than 1 Year</u>	<u>Average Annual Gross Sales</u>	<u>Centers That Achieved or Exceeded the Average</u>	<u>Median</u>	<u>Range</u>
Calendar Year 2024					
All Franchised <i>Image360</i> Centers	119	\$861,750	44 (36.98%)	\$674,613	\$68,780 to \$3,652,320
Top 50%	59	\$1,325,970	20 (33.90%)	\$1,051,829	\$676,175 to \$3,652,320
Bottom 50%	60	\$405,267	30 (50.00%)	\$407,164	\$68,780 to \$674,613

1. “Gross Sales” means all revenue from sales conducted at, from or through your Center, including amounts received from the sale of services and products of every kind and nature. Gross Sales also include the fair market value of any barter transactions and the proceeds of any business interruption insurance policies related to the operation of your Center. It excludes: (i) all taxes imposed by any federal, state, municipal or other governmental authority so long as it is added to the selling price and actually paid by you to such governmental authority; (ii) the direct costs incurred for permits, shipping, or subcontract installation; (iii) customer refunds or credits; and (iv) any revenue from the sale of services and products from your *Image360* Center to another *Image360* Center or a *Signs By Tomorrow* Center, *Signs Now* Center, *Allegra* center, *American Speedy Printing* center, or *Insty-Prints* center under a franchise agreement with us.

C. **OPERATING RATIO STUDY^{1,2}**

2023 PERCENTAGE OF COSTS, EXPENSES AND PROFITS IN RELATION TO SALES FOR ALL PARTICIPATING FRANCHISED *IMAGE360* CENTERS OPEN AT LEAST 1 YEAR

	<u>Average³</u>	<u>Participating Centers That Achieved or Exceeded the Average</u>	<u>Median⁴</u>	<u>Range</u>
Gross Sales⁵	\$1,188,894	25 (39.68%)	\$1,006,735	\$172,352 to \$3,757,773
Cost of Goods Sold⁶	32.54%	33 (52.38%)	33.03%	19.22% to 46.35%
Staff Cost⁷	23.59%	37 (58.73%)	24.63%	5.24% to 38.77%
Operating Expenses⁸	24.80%	27 (42.86%)	23.26%	13.12% to 44.25%
Capital Asset Cost⁹	3.21%	20 (31.75%)	1.45%	0.00% to 18.71%
EBITDA¹⁰	19.07%	31 (49.21%)	18.97%	-2.97% to 54.18%

NOTES:

1. We or our affiliates (current and former) have conducted an annual Operating Ratio Study that summarizes and reports information provided on financial statements prepared by Participating Centers (defined below). The data provided above has been extracted from the results of the latest study which was conducted in 2024 for fiscal year ending December 31, 2023. This chart does not include data for all franchised *Image360* Centers. Rather, for purposes of the first chart of this Section C, a total of 65 franchised *Image360* Centers (“Participating Centers”) out of 125 (52.00%) franchised *Image360* Centers located in the U.S. participated in this study. The 65 Participating Centers were operated by 63 franchisees, and were open for at least one full year as of December 31, 2023. With respect to a franchisee that operates multiple Centers, we aggregate the financial information received for all the franchisee’s Centers and report the information as 1 Participating Center in this Section C. Participating Centers do not include 60 Centers that fall into one of these categories: (i) Centers that were open less than one year, (ii) Centers that were dual-branded with a print business, (iii) Centers that were operating as a different brand, and (iv) Centers that chose not to participate in the Operating Ratio Study or did not submit complete financial information in the format we required for participation. For Participating Centers, the one year of operation may include a time period that the Participating Center operated as either a *Signs By Tomorrow* Center or *Signs Now* Center prior to converting into an *Image360* Center.
2. Of the 60 *Image360* Centers that did not participate in the operating ratio study, 10 Centers were resold during 2023 and, as a result of resale activity, were not open for at least one full year as of December 31, 2023; 28 were dual-branded; and 2 were operating under a different trademark. The average Gross Sales for the remaining 20 Centers that did not participate in the operating ratio study was \$554,810 (with 11 of the 20 (55.00%) exceeding that average), the median was \$600,274, and the range was \$61,187 to \$1,150,516.
3. The “average” for each sales, profit and expense category is the sum value of the sales, profit or expense for each Participating Franchisee divided by the total number of Participating Franchisees.
4. The “median” is the middle value of the Participating Franchisees’ in a particular category arranged in order. The same number of Participating Franchisees are above and below the median. The sum of the percentages from each category will not equal 100% because these are median percentages.

5. “Gross Sales” has the meaning given to it in Section B of this Item 19.
6. “Cost of Goods Sold” means the percentage of revenue spent by the franchisee on materials used in the production process.
7. “Staff Costs” means the percentage of revenue spent by the franchisee on wages, taxes, benefits, recruitment and other employee related expenditures, and for some franchisees includes wages for an owner’s spouse (which may be considered discretionary). Staff Costs does not include owner(s) salary and benefits.
8. “Operating Expenses” means the percentage of revenue spent on rent, marketing, utilities, insurance and other overhead expenses. Amounts paid to us for Royalties and Marketing Fund contributions are included as expenses.
9. “Capital Asset Costs” means the percentage of revenue spent on capital asset costs, including amortization, depreciation, operating leases and interest expense.
10. “EBITDA” means the percentage of earnings before interest, taxes, depreciations, amortization, plus owner(s) salary and benefits.

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Franchisees made royalty payments based on the Gross Sales disclosed above.

Centers report their information to us based on the accrual method of accounting. Written substantiation for the financial performance representations will be made available to you on reasonable request.

Those reports and financial statements provided by franchisees are not audited, and we have not undertaken to independently verify the accuracy of the information or determine whether the financial statements were prepared in accordance with generally accepted accounting principles.

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

Other than the preceding financial performance representation, we do not make any financial performance 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 Center, however, we may provide you with the actual records of that Center. If you receive any other financial performance information or projections of your future income, you should report it to us by contacting Meredith Flynn, Vice President Legal & Franchise Compliance, Alliance Franchise Brands LLC, 47585 Galleon Drive, Plymouth, Michigan 48170-2466, 800-726-9050; the Federal Trade Commission; and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

A. INFORMATION PERTAINING TO IMAGE360 CENTERS

TABLE NO. 1
SYSTEMWIDE IMAGE360 CENTER SUMMARY FOR
YEARS 2022 TO 2024¹

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2022	130	128	-2
	2023	128	125	-3
	2024	125	131	+6
Company-Owned	2022	2	2	0
	2023	2	2	0
	2024	2	2	0
Total Outlets	2022	132	130	-2
	2023	130	127	-3
	2024	127	133	+6

1. All numbers presented in this Item 20, Part A are as of December 31 of each calendar year.

TABLE NO. 2
TRANSFERS OF IMAGE360 CENTERS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR OR AN AFFILIATE)
FOR YEARS 2022 TO 2024

State	Year	Number of Transfers
Arizona	2022	1
	2023	0
	2024	0
California	2022	2
	2023	1
	2024	0
Colorado	2022	0
	2023	0
	2024	2
Florida	2022	2
	2023	2
	2024	2
Georgia	2022	1
	2023	0
	2024	0
Idaho	2022	1
	2023	0
	2024	1