

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 Franchise 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.

The tables below present historic financial performance information, including Net Revenue information, cost information, and net income, for each of the Square Cow Businesses that were open and operating for at least 12 months as of December 31, 2024. Calendar year 2024 is referred to in this Item 19 as the "Reporting Period".

We currently have a total of 6 company-owned Square Cow Businesses in operation, all of which are located in Texas. At one point in the Reporting Period we had a total of 8 company-owned Square Cow Businesses in operation (seven in Texas and one in Colorado). Our Denver, Colorado location was sold to a franchisee in October of 2024, and our company-owned location in San Antonio ceased operations in September of 2024. Furthermore, one new company-owned Square Cow Business, located in Murphy, Texas, began operating in April of 2024. The results for those 3 company-owned locations (Denver, Colorado; San Antonio, Texas; and Murphy, Texas) are not included in this Item 19 because they were not open and operating throughout the entirety of the Reporting Period.

Our first franchised location (in Atlanta, Georgia) began operating in May of 2023 and ceased operating in March 2024, but that location was not in operation for a full 12 months during the Reporting Period and is therefore excluded from this Item 19 due to its limited operating history. As of the end of the Reporting Period, we had 3 franchised territories in operation. All 3 of those franchised territories first began operating during 2024 and are therefore not included in this Item 19 because they were not open and operating throughout the entire Reporting Period.

Table 1 below shows 2024 operating results for all five of our company-owned locations that were in operation throughout the entire Reporting Period.

Table 2 below shows 2024 average operating results (including mean, median, highest and lowest) for all five of our company-owned locations that were in operation throughout the entire Reporting Period.

Five of the six company-owned Square Cow Businesses were open and operating throughout the entire Reporting Period, and those five locations are included in this Item 19. One company-owned location, in Murphy, Texas, first opened in April of 2024 and therefore has not been included in this Item 19 due to its limited operating history. Our "company-owned" Square Cow Businesses are operated by our affiliate, Square Cow Moovers, LLC.

The information shown below has been provided to us by our affiliate and has not been independently audited. The notes that follow the table are an integral part of the information presented in this item and provide information to help you better understand the financial information.

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

Table 1					
2024 Operating Results for 5 Company-Owned Locations					
	North Austin^(Note 3)	South Austin	Southlake	Houston	Woodlands
Net Revenue <small>(Notes 1, 2 and 4)</small>	\$3,095,562	\$1,873,064	\$1,363,134	\$1,562,321	\$1,149,146
Resale Materials/ COGS	\$40,351	\$25,700	\$17,527	\$19,472	\$14,978
Hourly Labor	\$871,787	\$464,503	\$374,281	\$430,183	\$319,311
Salaries <small>(Note 5)</small>	\$114,687	\$100,167	\$111,571	\$123,717	\$105,471
Bonuses	\$17,954	\$33,033	\$23,905	\$25,278	\$16,203
Payroll Tax / Other Benefits	\$113,819	\$59,454	\$58,101	\$64,046	\$47,883
Advertising	\$52,526	\$47,781	\$45,802	\$46,575	\$44,972
Rent	\$60,000	\$65,601	\$23,827	\$82,151	\$30,351
Fuel	\$68,590	\$46,151	\$36,792	\$40,448	\$32,864
Hiring	\$3,556	\$3,892	\$3,491	\$3,492	\$4,993
Damages	\$72,856	\$30,861	\$22,424	\$16,606	\$18,407
CC Processing	\$48,401	\$32,166	\$25,814	\$30,891	\$32,076
Truck Expense <small>(Note 6)</small>	\$184,060	\$107,042	\$48,887	\$98,988	\$57,697
Other <small>(Note 7)</small>	\$108,871	\$74,968	\$60,827	\$66,351	\$54,892
Insurance <small>(Note 8)</small>	\$174,266	\$105,445	\$76,738	\$87,952	\$64,692
Truck Payments <small>(Note 9)</small>					
Tech/Call Center Fees <small>(Note 10)</small>	\$96,902	\$60,407	\$49,189	\$53,571	\$34,881
Royalty	\$216,689	\$131,114	\$95,419	\$109,362	\$80,440
Brand Fund	\$30,956	\$18,731	\$13,631	\$15,623	\$11,491
EXPENSES	\$2,276,273	\$1,407,017	\$1,088,227	\$1,314,706	\$971,602
NET INCOME	\$819,290	\$466,047	\$274,907	\$247,615	\$177,545
Net Income If No Manager Salary was Paid*	\$896,530	\$555,450	\$351,034	\$330,313	\$241,716
# of trucks needed	\$14	\$8	\$6	\$7	\$5
Pay To Franchisor Annually					
Call Center <small>(Note 11)</small>	\$38,400	\$19,200	\$19,200	\$19,200	\$9,600

Estimated Booking Fee	\$26,828	\$16,233	\$11,814	\$13,540	\$9,959
Tech Fee	\$33,019	\$19,979	\$14,540	\$16,665	\$12,258
<u>Pay to Vendor</u>					
Telematics (\$50/mo/truck)	\$8,255	\$4,995	\$3,635	\$4,166	\$3,064
TOTAL	\$106,502	\$60,407	\$49,189	\$53,571	\$34,881

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TABLE 2
Average 2024 Operating Results for All Company-Owned Locations

	<u>MEAN</u>	<u>MEDIAN</u>	<u>HIGH</u>	<u>LOW</u>
Net Revenue <small>(Notes 1, 2 and 4)</small>	\$1,808,646	\$1,562,321	\$3,095,562	\$1,149,146
Resale Materials/ COGS	\$23,606	\$19,472	\$40,351	\$14,978
Hourly Labor	\$492,013	\$430,183	\$871,787	\$319,311
Salaries <small>(Note 5)</small>	\$111,123	\$111,571	\$123,717	\$100,167
Bonuses	\$23,275	\$23,905	\$33,033	\$16,203
Payroll Tax / Other	\$68,661	\$59,454	\$113,819	\$47,883
Advertising	\$47,531	\$46,575	\$52,526	\$44,972
Rent	\$52,386	\$60,000	\$82,151	\$23,827
Fuel	\$44,969	\$40,448	\$68,590	\$32,864
Hiring	\$3,855	\$3,556	\$4,993	\$3,491
Damages	\$32,231	\$22,424	\$72,856	\$16,606
CC Processing	\$333,870	\$32,076	\$48,401	\$25,814
Truck Expense <small>(Note 6)</small>	\$99,335	\$98,988	\$184,060	\$48,887
Truck Payments				
Other <small>(Note 7)</small>	\$73,182	\$66,351	\$108,871	\$54,892
Insurance <small>(Note 8)</small>	\$101,819	\$87,952	\$174,266	\$64,692
Truck Payments <small>(Note 9)</small>				
Tech/Call Center Fees <small>(Note 10)</small>	\$60,910	\$53,571	\$106,502	\$34,881
Royalty	\$126,605	\$109,362	\$216,689	\$80,440
Brand Fund	\$18,086	\$15,623	\$30,956	\$11,491

Expenses	\$1,413,485	\$1,314,706	\$2,285,873	\$971,602
Net Income	\$395,161	\$274,907	\$809,690	\$177,545
Net Income If No Manager Salary was Paid*	\$473,088	\$351,034	\$886,930	\$241,716

Notes:

Note 1. Size of Company-Owned Territories. All of the existing company-owned Square Cow Businesses serve territories that do not have any specific population or geographical size limitations and generally represent two to three franchised territories, which will generally range from 350,000 to 400,000 in population.

Note 2. Definition of “Net Revenue” and “Net Income”. As used in this Item 19, “Net Revenue” means the total selling price of all services and products and all income of every other kind and nature related to the Square Cow Business, whether for cash or credit and regardless of collection in the case of credit (as used herein, “Net Revenue” does not include sales tax, discounts, allowances, refunds, returns or credits to customers). As used in this Item 19, “Net Income” means Net Revenue minus each of operational “Expenses” as set forth in the tables above, but does not account for any state or federal income taxes.

Note 3. Warehouse/Storage Location. In connection with our North Austin Square Cow Business location (based in Cedar Park, Texas), our affiliate also operates a warehouse/storage business which offers storage services to its customers. The revenues generated by that warehouse/storage business are not included in this Item 19 as our franchisees will not be operating a warehouse/storage business.

Note 4. Operating History. Five of the six Square Cow Businesses currently in operation were used to calculate the figures in Table 3. Our newest location, in Murphy, Texas, began operating in April of 2024 and is therefore not included in Table 3. All of the Square Cow Businesses used to calculate the figures shown in the tables above were open and in operation for at least 12 months as of December 31, 2024. You may achieve lower revenues during your first year of operations and in your following years of operations.

Note 5. Salaries. Each of our company-owned Square Cow Businesses employs a full-time salaried manager, and such managers’ wages are included in the “Salaries” expense category shown in the tables above. Franchised Square Cow Businesses may, but will not be required to, employ a salaried manager. If you choose to serve as an operating franchise owner (i.e. you act as the manager of your Square Cow Business) then the portion of the “Salaries” expense paid to managers would not apply to you. The line item in the tables above titled “Net Income If No Manager Salary was Paid” shows the “Net Income” that each company-owned Square Cow Business would have achieved if it had not paid a full-time salaried manager.

Note 6. Truck Expense. This figure includes truck supplies and equipment, accident costs, repairs, maintenance, registration and washing.

Note 7. Other Expenses. This figure includes airfare, hotels, meals, consulting, office supplies, training, facility maintenance, utilities, etc.

Note 8. Insurance. This figure is based on our affiliate’s insurance costs, which include higher limits and additional lines of coverage than those required for our franchisees.

Note 9. Truck Payments. Our affiliate has no outstanding debt/loans on its trucks and therefore has no ongoing truck payments or financing expenses. We estimate that franchisees will likely pay between \$1,500 and \$2,500 in monthly lease payments per truck.

Note 10. Tech/Call Center Fees. Technology fees and call center/booking fees must be paid to us throughout the term of your Franchise Agreement and are required in addition to your obligation to pay us royalties and Brand Fund contributions.

Note 11. Call Center. Our Call Center fee starts at \$800 per month for up to four trucks in operation (plus a \$13 booking fee for each job booked on your behalf). As your fleet of trucks in operation grows, the Call Center fee increases by \$800 per month for each additional set of four trucks in operation (See details in Item 6 of this disclosure document).

Written substantiation of the data used in preparing this financial performance representation will be made available to you upon your reasonable request.

Except as described above in this Item 19, 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 Cole Strong at 2500 Brushy Creek Loop, Cedar Park, Texas 78613 or (512) 853-9835, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
For years 2022 to 2024⁽¹⁾

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	0	0	0
	2023	0	1	+1
	2024	1	3	+2
Company-Owned	2022	6	7	+1
	2023	7	7	0
	2024	7	6	-1
Total Outlets	2022	6	7	+1
	2023	7	8	+1
	2024	8	9	+1

Notes:

1. All numbers are as of our fiscal year end, which ends on December 31st.