

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 location or under particular circumstances.

1/01/2024 – 12/31/2024 Financial Results

The following chart contains financial performance information for four I Scream Gelato businesses owned by our affiliates that were open for this time period. We did not include the Franchise Owned financial statements in this Item 19.

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Cash Basis

PICK A SCOOP INC
Profit & Loss
January through December 2024

	Jan - Dec 24
Ordinary Income/Expense	
Income	
4000 · Sales	
4010 · Sales Taxable	938,884.39
4020 · Exempt Sales	11,632.54
4000 · Sales - Other	0.00
Total 4000 · Sales	950,516.93
Total Income	950,516.93
Cost of Goods Sold	
5000 · Cost of Good Sold	
5010 · Purchases	155,092.00
Total 5000 · Cost of Good Sold	155,092.00
Total COGS	155,092.00
Gross Profit	795,424.93
Expense	
6110 · Auto & truck Expense	
6112 · Transportation/Taxi	6,744.73
6110 · Auto & truck Expense - Other	2,541.87
Total 6110 · Auto & truck Expense	9,286.60
6120 · Bank Service Charge	343.22
6121 · Merchant Service Fee	30,380.77
6330 · Insurance	
6350 · Liability	5,319.00
6360 · Workers Compensation	2,057.36
Total 6330 · Insurance	7,376.36
6400 · Interest Expense	16,651.76
6420 · Licenses & Permits	3,918.77
6450 · Management fee	3,500.00
6460 · Marketing & Promotion	12,063.33
6550 · Office Expenses	863.93
6555 · Outside Service	33,871.04
6560 · Payroll Expense	
6000 · Salary and Wages	
6500 · Payroll -general	125,836.89
6510 · Payroll- officers	10,000.00
Total 6000 · Salary and Wages	135,836.89
6561 · FICA/MED Expense	4,413.50
6562 · FUTA Expense	263.96
6563 · SUI Expense	1,575.95
6564 · ADP 401k / ADP RS	0.00
6567 · Credit Card Tips	74,062.56
6560 · Payroll Expense - Other	0.00
Total 6560 · Payroll Expense	216,152.86
6565 · Payroll Service Fee	1,454.10
6680 · Postage & Delivery	18.86
6685 · Prepaid Giftcards-Marketing & P	8,935.92
6690 · Printing and Reproduction	460.31
6700 · Professional	
6710 · Accounting	4,575.00
Total 6700 · Professional	4,575.00
6760 · Rent	
6762 · Storage	1,555.00

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Cash Basis

PICK A SCOOP INC
Profit & Loss
January through December 2024

	<u>Jan - Dec 24</u>
6764 · 309 S MAIN LLC	176,000.00
Total 6760 · Rent	177,555.00
6800 · Repairs & Maintenance	20,026.82
6870 · Supplies	6,467.34
6875 · Software Expenses	2,724.71
6880 · Taxes	
6883 · Property Taxes	37,642.00
Total 6880 · Taxes	37,642.00
6900 · Telephone/Internet	1,974.41
6910 · Travel & Entertainment	
6920 · Travel	16,243.79
6930 · Meals	24,658.98
6940 · Entertainment	7,716.46
Total 6910 · Travel & Entertainment	48,619.23
6945 · Uniforms	2,204.55
6950 · Utilities	
6960 · Gas and Electricity	17,368.87
6970 · Janitorial	427.62
6980 · Water	1,051.83
Total 6950 · Utilities	18,848.32
Total Expense	665,915.21
Net Ordinary Income	129,509.72
Other Income/Expense	
Other Income	
7050 · Sales Tax Collection Allowance	1,103.76
7125 · Tips received thru Credit Cards	74,062.56
Total Other Income	75,166.32
Net Other Income	75,166.32
Net Income	<u><u>204,676.04</u></u>

Estimated Royalty Fees:	\$57,031.02
Estimated Brand Fund Fees:	\$9,505.17

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Accrual Basis

PICK A SCOOP LOWRY LLC**Profit & Loss**

January through December 2024

	Jan - Dec 24
Ordinary Income/Expense	
Income	
4000 · Sales	
4010 · Taxable Sales	320,424.52
4050 · Exempt Sales	7,779.21
4000 · Sales - Other	0.00
Total 4000 · Sales	328,203.73
Total Income	328,203.73
Cost of Goods Sold	
5000 · Cost of Good Sold	
5010 · Purchases	50,357.60
Total 5000 · Cost of Good Sold	50,357.60
Total COGS	50,357.60
Gross Profit	277,846.13
Expense	
6010 · Advertising	930.00
6110 · Auto & truck Expense	
6114 · Transportation / Taxi	93.42
6110 · Auto & truck Expense - Other	284.84
Total 6110 · Auto & truck Expense	378.26
6120 · Bank Service Charge	1,429.30
6121 · Merchant Service fee	10,467.74
6125 · Cables	2,908.98
6330 · Insurance	
6360 · Workers Compensation	1,479.93
6330 · Insurance - Other	3,267.93
Total 6330 · Insurance	4,747.86
6400 · Interest Expense	416.88
6420 · Licenses & Permits	3,158.48
6460 · Marketing & Promotion	15,550.00
6550 · Office Expenses	17.57
6555 · Outside Service	1,000.00
6560 · Payroll Expense	
6000 · Salary and Wages	
6500 · Payroll -general	102,234.03
6510 · Payroll- officers	4,615.40
Total 6000 · Salary and Wages	106,849.43
6465 · ADP 401k / ADP RS	0.00
6561 · FICA/MED Expense	661.33
6562 · FUTA Expense	83.20
6563 · SUI Expense	1,083.99
6564 · CO0601-DenverLIT-ER	188.00
6567 · Credit Card Tips	32,154.93
6560 · Payroll Expense - Other	0.00
Total 6560 · Payroll Expense	141,020.88
6565 · Payroll Service Fee	13,171.11
6680 · Postage & Delivery	13.20
6690 · Printing and Reproduction	10.00
6700 · Professional	
6710 · Accounting	4,460.00
Total 6700 · Professional	4,460.00
6760 · Rent	66,687.78

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Accrual Basis

PICK A SCOOP LOWRY LLC

Profit & Loss

January through December 2024

	Jan - Dec 24
6800 · Repairs & Maintenance	1,516.93
6870 · Supplies	1,237.14
6875 · Software Expenses	6,679.04
6910 · Travel & Entertainment	
6920 · Travel	2,582.70
6930 · Meals	10,251.46
6940 · Entertainment	5,096.80
Total 6910 · Travel & Entertainment	17,930.96
Total Expense	293,732.11
Net Ordinary Income	-15,885.98
Other Income/Expense	
Other Income	
7050 · Sales Tax Collection Allowance	489.49
7125 · Tips received thru Credit Cards	32,154.93
Total Other Income	32,644.42
Net Other Income	32,644.42
Net Income	16,758.44

Estimated Royalty Fees: \$19,692.22

Estimated Brand Fund Fees: \$3,282.04

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Accrual Basis

PICK A SCOOP F INC
Profit & Loss
January through December 2024

	Jan - Dec 24
Ordinary Income/Expense	
Income	
4000 · Sales	
4010 · Taxable Sales	338,357.03
4050 · Exempt Sales	1,687.28
4000 · Sales - Other	0.00
Total 4000 · Sales	340,044.31
Total Income	340,044.31
Cost of Goods Sold	
5000 · Cost of Good Sold	
5010 · Purchases	54,635.99
Total 5000 · Cost of Good Sold	54,635.99
Total COGS	54,635.99
Gross Profit	285,408.32
Expense	
6110 · Auto & truck Expense	
6114 · Transportation / Taxi	504.41
6110 · Auto & truck Expense - Other	720.10
Total 6110 · Auto & truck Expense	1,224.51
6120 · Bank Service Charge	54.27
6121 · Merchant Service fee	10,979.07
6330 · Insurance	
6360 · Workers Compensation	871.46
6330 · Insurance - Other	2,588.18
Total 6330 · Insurance	3,459.64
6400 · Interest Expense	2,857.73
6420 · Licenses & Permits	870.00
6450 · Management fee	3,500.00
6460 · Marketing & Promotion	10,403.34
6555 · Outside Service	18,680.78
6560 · Payroll Expense	
6000 · Salary and Wages	
6500 · Payroll -general	66,078.06
6510 · Payroll- officers	8,000.00
Total 6000 · Salary and Wages	74,078.06
6561 · FICA/MED Expense	2,875.93
6562 · FUTA Expense	233.72
6563 · SUI Expense	605.43
6564 · ADP RS	0.00
6566 · ADP 401K	377.42
6567 · Credit Card Tips	31,331.86
6560 · Payroll Expense - Other	0.00
Total 6560 · Payroll Expense	109,502.42
6565 · Payroll Expenses Fee	2,729.32
6680 · Postage & Delivery	7.70
6690 · Printing and Reproduction	130.81
6700 · Professional	
6710 · Accounting	4,475.01
Total 6700 · Professional	4,475.01
6760 · Rent	45,600.00
6800 · Repairs & Maintenance	6,715.49
6865 · Sub Contractors	900.00

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Accrual Basis

PICK A SCOOP F INC
Profit & Loss
January through December 2024

	Jan - Dec 24
6870 · Supplies	711.07
6875 · Software Expenses	1,680.69
6900 · Telephone/Cables/Internet	5,084.92
6950 · Utilities	
6960 · Gas and Electricity	4,728.93
Total 6950 · Utilities	4,728.93
Total Expense	234,295.70
Net Ordinary Income	51,112.62
Other Income/Expense	
Other Income	
7050 · Sales Tax Collection Allowance	617.85
7125 · Tips received thru Credit Cards	31,992.72
Total Other Income	32,610.57
Net Other Income	32,610.57
Net Income	83,723.19

Estimated Royalty Fees: \$20,402.66
Estimated Brand Fund Fees: \$3,400.44

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Accrual Basis

I SCREAM GELATO MIAMI LLC**Profit & Loss**

January through December 2024

	Jan - Dec 24
Ordinary Income/Expense	
Income	
4000 · Sales	
4010 · Taxable Sales	915,246.49
4020 · Exempt Sales	10,757.45
4000 · Sales - Other	0.00
Total 4000 · Sales	926,003.94
Total Income	926,003.94
Cost of Goods Sold	
5000 · Cost of Good Sold	
5010 · Purchases	157,522.84
5030 · Freight	1,112.63
Total 5000 · Cost of Good Sold	158,635.47
Total COGS	158,635.47
Gross Profit	767,368.47
Expense	
6010 · Advertising	4,750.00
6030 · Alarm & security	678.05
6110 · Auto & truck Expense	
6113 · Car Rental	145.77
6114 · Transportation / Taxi	604.02
6110 · Auto & truck Expense - Other	314.66
Total 6110 · Auto & truck Expense	1,064.45
6120 · Bank Service Charge	560.98
6121 · Merchant Service Fee	27,253.97
6123 · Cables Expense	0.00
6140 · Contributions & Donations	1,500.00
6180 · Dues & subscriptions	0.00
6330 · Insurance	
6332 · Liability	16,178.92
6333 · Workers Compensation	2,887.78
6330 · Insurance - Other	7,156.72
Total 6330 · Insurance	26,223.42
6400 · Interest Expense	7,089.00
6420 · Licenses & Permits	4,198.50
6450 · Management fee	18,251.10
6460 · Marketing & Promotion	19,075.49
6550 · Office Expenses	96.59
6555 · Outside Service	14,565.00
6560 · Payroll Expense	
6000 · Salary and Wages	
6500 · Payroll -general	
Tips Paid	0.00
6500 · Payroll -general - Other	149,374.74
Total 6500 · Payroll -general	149,374.74
Total 6000 · Salary and Wages	149,374.74
6561 · FICA/MED Expense	6,199.13
6562 · FUTA Expense	304.97
6563 · SUI Expense	783.55
6564 · ADP 401K	-154.71
6566 · ADP RS	0.00
6567 · Credit Card Tips	133,582.14
6560 · Payroll Expense - Other	0.00
Total 6560 · Payroll Expense	290,089.82

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Accrual Basis

I SCREAM GELATO MIAMI LLC**Profit & Loss**

January through December 2024

	Jan - Dec 24
6565 · Payroll Service Fee	2,812.02
6680 · Postage & Delivery	662.86
6690 · Printing and Reproduction	1,855.00
6700 · Professional	
6710 · Accounting	7,985.00
6740 · Architect & Interior Designer	0.00
6750 · Training	458.55
Total 6700 · Professional	8,443.55
6760 · Rent	190,050.00
6800 · Repairs & Maintenance	8,147.61
6860 · Seminars & meetings	0.00
6870 · Supplies	4,545.86
6875 · Software Expenses	2,219.66
6880 · Taxes	
6883 · Property Taxes	0.00
Total 6880 · Taxes	0.00
6910 · Travel & Entertainment	
6920 · Travel	772.14
6930 · Meals	1,425.76
Total 6910 · Travel & Entertainment	2,197.90
6950 · Utilities	
6960 · Gas and Electricity	16,743.86
6965 · Pest Control	1,679.18
6970 · Waste Disposal/Janitorial	4,180.58
6981 · Internet/Cables	2,571.50
6982 · Janitorial Service	0.00
Total 6950 · Utilities	25,175.12
Total Expense	661,505.95
Net Ordinary Income	105,862.52
Other Income/Expense	
Other Income	
7050 · Sales Tax Collection Allowance	726.09
7125 · Tips received thru Credit Cards	133,582.14
Total Other Income	134,308.23
Other Expense	
8750 · Penalties & fines	0.00
Total Other Expense	0.00
Net Other Income	134,308.23
Net Income	240,170.75

Estimated Royalty Fees: \$55,560.24

Estimated Brand Fund Fees: \$9,260.04

Notes:

1. The foregoing information shows historical financial performance and is not a projection of future performance. There is nothing materially different from the existing Company Owned Outlets and future Franchise Owned Outlets.

2. There was a total of four I Scream Gelato Company Owned businesses open for this time frame which is owned by our Affiliates. We had a total of four franchise owned Outlets in operation at the time of this Disclosure Document, we did not include these in this Item 19 and only disclosed Company Owned Outlets.

3. “Gross Sales” means total of all revenue in a period, not including discounts, taxes, tips/gratuuity, voids, or refunds.

4. “Cost of Goods Sold” means the cost of the product and the supplies sold from each location during that time period.

5. “Gross Profit” means the Gross Sales minus the Cost of Goods Sold.

6. “Total Expense” means the sum of all operating expenses associated with the operation of the Company Owned Outlet during this time period.

7. “Net Income” means the Gross Profit minus the Total Expense.

8. “Royalty/Marketing Fees” reflect the 5% royalty plus the 1% System Marketing Contribution that these outlets would have paid if they were franchised.

Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you’ll sell as much.

Written substantiation of the information contained in this Item 19 will be made available to prospective franchisees upon 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, Nadav Abergel, 8105 E. Bayaud Avenue, Denver, CO 80230, and (720) 251-5537, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20 OUTLETS AND FRANCHISEE INFORMATION

**Table 1
Systemwide Outlet Summary
For Years 2022 to 2024**

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	2	+2
	2024	2	4	+2