

Any provision in the Franchise Agreement that provides for termination upon bankruptcy of the franchisee may not be enforceable under Federal Bankruptcy Law (11 U.S.C. §101, et seq.) (see H above).

***PLEASE REFER TO EXHIBIT E FOR ADDITIONAL INFORMATION ABOUT  
CERTAIN LEGAL RIGHTS YOU MAY HAVE UNDER THE LAW OF YOUR STATE***

**ITEM 18: PUBLIC FIGURES**

CertaPro does not use any public figures to promote our franchises.

**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.

**BACKGROUND**

This Item lists certain historical data as provided to CertaPro by our franchisees. The information provided by the franchisees has not been audited nor has it been independently verified. Substantiation of the data used in preparing this information will be made available upon reasonable request. A number of factors will affect the success of your CertaPro franchise. These factors include whether you are certified to perform Commercial Services, current market conditions, the type of market in your franchise area, the location of your franchise area, the competition, and your ability to operate the franchise.

**GROSS SALES FOR PAST YEAR OF FRANCHISEES  
IN BUSINESS FOR AT LEAST 12 MONTHS**

The following Table presents the Gross Sales realized by CertaPro's franchisees as of year-end (December 31) for 2024 plus average and median Gross Sales, in addition a summary comparison of 2024. Gross Sales is defined as the total revenue derived from sales for labor, materials or services performed or rendered by the franchisee, or any third-party subcontractors of the franchisee who perform services for the franchisee's clients as part of the franchisee's services. Average Gross Sales was determined by dividing the number of franchisees into the total Gross Sales. The Median is the middle figure, with fifty percent (50%) being both above and below that figure.

Some franchisees may own more than one territory. The franchisees included will vary from year to year. All figures are based upon information provided to CertaPro by franchisees who operated a CertaPro franchise for the full 12 months of the respective year, including those that are certified and perform Commercial Services. Franchisees who provided incomplete or partial financial information during the reporting year were excluded from the chart for the applicable reporting year as follows: 2024 - 0. For the purpose of the chart, if an entire existing business was sold to a new buyer, then the business was considered a continuous operation; if it were a partial sale of an existing business, the buyer was considered a new franchisee.

2024				
\$167,356	\$790,603	\$1,138,835	\$1,747,200	\$2,943,943
\$181,555	\$794,964	\$1,142,135	\$1,751,541	\$2,989,375
\$186,230	\$798,015	\$1,147,880	\$1,774,993	\$3,020,979
\$209,663	\$800,112	\$1,147,894	\$1,780,543	\$3,033,225
\$318,635	\$800,573	\$1,148,375	\$1,802,761	\$3,038,714
\$334,270	\$810,290	\$1,148,988	\$1,803,116	\$3,044,211
\$357,573	\$812,497	\$1,151,526	\$1,821,061	\$3,064,868
\$376,273	\$817,226	\$1,153,746	\$1,852,558	\$3,136,156
\$380,492	\$821,497	\$1,155,867	\$1,852,893	\$3,206,978
\$381,758	\$830,489	\$1,168,439	\$1,866,753	\$3,270,396
\$401,221	\$832,273	\$1,182,410	\$1,888,022	\$3,283,395
\$413,087	\$835,996	\$1,205,021	\$1,910,450	\$3,354,180
\$413,186	\$844,009	\$1,217,715	\$1,943,545	\$3,370,822
\$433,348	\$850,833	\$1,237,377	\$1,963,477	\$3,391,276
\$434,047	\$851,644	\$1,255,744	\$2,000,095	\$3,427,832
\$456,747	\$854,164	\$1,256,824	\$2,010,362	\$3,533,226
\$468,173	\$856,501	\$1,262,975	\$2,020,448	\$3,573,582
\$474,125	\$857,655	\$1,266,056	\$2,034,449	\$3,627,336
\$500,720	\$863,505	\$1,270,954	\$2,039,677	\$3,628,621
\$529,804	\$863,567	\$1,286,388	\$2,048,287	\$3,634,426
\$537,524	\$870,078	\$1,299,938	\$2,058,564	\$3,867,272
\$540,156	\$870,610	\$1,301,503	\$2,061,402	\$4,050,063
\$556,279	\$874,999	\$1,305,222	\$2,066,391	\$4,102,613
\$569,147	\$880,089	\$1,328,499	\$2,159,139	\$4,345,988
\$571,400	\$884,648	\$1,342,083	\$2,192,639	\$4,385,617
\$589,920	\$890,534	\$1,368,204	\$2,221,940	\$4,467,405
\$591,729	\$899,299	\$1,370,011	\$2,306,916	\$4,500,410
\$596,492	\$901,820	\$1,376,296	\$2,316,166	\$4,553,353
\$596,647	\$910,059	\$1,384,536	\$2,345,262	\$4,607,152
\$598,093	\$914,252	\$1,386,834	\$2,350,876	\$4,654,458
\$607,435	\$916,112	\$1,409,247	\$2,368,185	\$4,712,411
\$619,359	\$922,077	\$1,417,901	\$2,368,373	\$4,754,761
\$632,480	\$922,396	\$1,420,289	\$2,369,661	\$5,002,616
\$636,291	\$923,317	\$1,420,388	\$2,395,480	\$5,175,366
\$639,167	\$923,761	\$1,448,450	\$2,407,913	\$5,204,669
\$649,390	\$938,274	\$1,458,885	\$2,412,545	\$5,340,456
\$670,422	\$939,774	\$1,463,081	\$2,450,281	\$5,591,615
\$673,251	\$945,498	\$1,479,657	\$2,516,700	\$6,002,716
\$673,852	\$963,833	\$1,483,482	\$2,517,893	\$6,184,512
\$674,777	\$963,883	\$1,488,458	\$2,593,913	\$6,421,125
\$675,390	\$965,115	\$1,496,759	\$2,607,348	\$6,762,869
\$675,769	\$968,634	\$1,522,722	\$2,673,624	\$6,829,619
\$688,990	\$982,322	\$1,527,000	\$2,677,239	\$6,986,852
\$690,287	\$991,613	\$1,547,338	\$2,704,045	\$7,109,695
\$698,310	\$1,000,391	\$1,548,126	\$2,708,467	\$7,185,317
\$708,782	\$1,001,383	\$1,577,626	\$2,740,357	\$7,598,814
\$709,178	\$1,002,948	\$1,601,489	\$2,750,677	\$7,674,333
\$711,266	\$1,003,294	\$1,613,158	\$2,759,944	\$7,727,407
\$713,247	\$1,003,626	\$1,634,947	\$2,763,974	\$7,902,213
\$725,721	\$1,013,852	\$1,660,853	\$2,790,224	\$9,547,547
\$727,934	\$1,027,480	\$1,674,516	\$2,795,334	\$9,595,518
\$732,852	\$1,028,607	\$1,697,610	\$2,800,686	\$10,225,492
\$735,201	\$1,034,373	\$1,698,873	\$2,809,922	\$10,483,733
\$739,258	\$1,057,134	\$1,700,881	\$2,811,185	\$13,296,170
\$752,766	\$1,058,599	\$1,709,256	\$2,811,390	\$14,413,586
\$761,872	\$1,097,251	\$1,726,907	\$2,831,115	\$18,398,535
\$771,745	\$1,109,473	\$1,730,724	\$2,850,381	
\$781,812	\$1,131,035	\$1,731,230	\$2,859,240	
\$782,542	\$1,136,172	\$1,734,910	\$2,879,346	
Average			\$2,134,130	
Count			292	
# at/above average			98	
% at/above average			33.6%	
Median			\$1,380,416	
2024				

The information is for the respective period of January 1 through December 31, 2022, January 1 through December 31, 2023 and January 1 through December 31, 2024.

	2024	2023	2022	2021
Average	\$2,134,130	\$2,086,740	\$2,108,170	\$1,848,138
Count	292	311	310	332
# at/above average	98	105	106	114
% at/above average	33.6%	33.8%	34.2%	34.3%
Median	\$1,380,416	\$1,362,549	\$1,392,120	\$1,296,919

#### **AVERAGE REVENUE FOR FRANCHISEES IN PRODUCTION FOR 12 AND 24 MONTHS**

Production Year 1 - FA signed in 2023	Top 1/3	Mid 1/3	Bottom 1/3	All
Average Revenue \$	\$1,002,948	\$735,201	\$673,251	\$803,800
# at/above average	1	1	1	3
% at/above average	100.0%	100.0%	100.0%	100.0%
Number of Participants	1	1	1	3
Median Revenue \$	\$1,002,948	\$735,201	\$673,251	\$735,201

Production Year 2 - FA signed in 2022	Top 1/3	Mid 1/3	Bottom 1/3	All
Average Revenue \$	\$851,644	\$357,573	\$167,356	\$458,858
# at/above average	1	1	1	3
% at/above average	100.0%	100.0%	100.0%	100.0%
Number of Participants	1	1	1	3
Median Revenue \$	\$851,644	\$357,573	\$167,356	\$357,573

The first Table above shows the 12-month average of 3 franchisees who have been in production for 12 months as of December 31, 2024 (Production Year One), sorted into three categories based on revenue. The second Table the 12-month average revenue of 7 franchisees who have been in production for 24 months as of December 31, 2024 (Production Year Two), also sorted into three categories. For both Tables, each of the categories was averaged based on the number of participants noted. Excluded are resales in which a franchisee purchased a complete, ongoing business. Revenue is defined as all Gross Sales generated under the franchise agreement, as reported by these franchisees to CertaPro. Average Gross Sales was determined by dividing the number of franchisees into the total Gross Sales. The Median is the middle figure, with fifty percent (50%) being both above and below that figure. CertaPro did not audit nor independently verify this information.

**AVERAGE REVENUE FOR FRANCHISEES  
IN PRODUCTION FOR 25 MONTHS OR MORE**

Production Year 3+	Top 1/3	Mid 1/3	Bottom 1/3	All
Average Revenue \$	\$4,576,732	\$1,482,595	\$719,211	\$2,259,513
# at/above average	28	40	47	86
% at/above average	32.6%	46.5%	54.7%	33.3%
Number of Participants	86	86	86	258
Median Revenue \$	\$3,381,049	\$1,453,667	\$746,012	\$1,453,667

The Table above shows the 12-month average of 258 franchisees who have been in production for 25 Months or more as of December 31, 2024, sorted into three categories based on revenue. For the Table above, each of the categories was averaged based on the number of participants noted. Excluded are resales in which a franchisee purchased a complete, ongoing business. Revenue is defined as all Gross Sales generated under the franchise agreement, as reported by these franchisees to CertaPro. Average Gross Sales was determined by dividing the number of franchisees into the total Gross Sales. The Median is the middle figure, with fifty percent (50%) being both above and below that figure. CertaPro did not audit nor independently verify this information.

Some franchisees may own more than one territory. The franchisees included will vary from year to year. All figures are based upon information provided to CertaPro by franchisees who operated a CertaPro franchise for the full 12 months of the respective year, including those that are certified and perform Commercial Services. Gross Sales is defined as the total revenue derived from sales for labor, materials or services performed or rendered by the franchisee, or any third-party subcontractors of the franchisee who perform services for the franchisee's clients as part of the franchisee's services. Average Gross Sales was determined by dividing the number of franchisees into the total Gross Sales. The Median is the middle figure, with fifty percent (50%) being both above and below that figure.

If an entire existing business was sold to a new buyer, then the business was considered a continuous operation; if it were a partial sale of an existing business, the buyer was considered a new franchisee.

All figures are based upon information provided to CertaPro by franchisees, who operated a CertaPro franchise for the full 12 months of the respective year, including those that are certified and perform Commercial Services. The information provided by the franchisees has not been audited nor has it been independently verified. The information is for January 1, 2024 through December 31, 2024.

**INFORMATION ABOUT RESIDENTIAL AND COMMERCIAL SALES**

	2024	2023	2022
Residential %	63%	58%	63%
Commercial %	37%	42%	37%

The Table above lists the percentage of Residential and Commercial Services work produced by all franchisees that were active at any time during the year listed, whether for a full year or only a portion of the year, including any that started or ceased operations during the year listed. CertaPro franchisees identify their services as either Residential or Commercial as part of their usual business reports. This information has not been audited nor has it been independently verified.

**FRANCHISEE FINANCIAL DATA FOR 2024**

The information presented in the Table below was obtained from 81 geographically diverse CertaPro franchisees, most of whom participate in CertaPro's Flight Program. The Flight Program is a voluntary peer forum for franchisees to drive sustainable business growth through the learning and experience of others. Each group's size varies, and generally ranges from four to ten members. Members commit to attend multiple meetings annually, both virtually and at various sites agreed upon by each group, with each

member being responsible for payment of their travel and other expenses. The information provided has not been audited nor has it been independently verified. The financial information and data were voluntarily provided by each participating franchisee to CertaPro, most of whom have been in business more than two years and ranging to more than twenty years in business. Additionally, participants generally had a greater mix of Commercial work versus Residential work than franchisees in production less than two years. Some, but not all of the participants who provided data for this year, may have provided data in previous years. CertaPro believes the information provided is complete and accurate. Further, to the best of our knowledge, these results are deemed to be representative of the results attained by franchisees similarly situated. Your individual results may differ. There is no assurance you will do the same. This data is being supplied to you for informational purposes to be used during your due diligence.

Each figure stated is an average of that figure; no one participant achieved all of the average figures stated. Median is the middle figure. Descriptions of accounts are listed below.

2024 Franchisee Financial Data	Average	# at/above Average	% at/above Average	Median
Revenue	\$3,420,891	24	30%	\$2,407,914
Cost of Goods Sold	\$1,841,971	25	31%	\$1,344,522
Gross Profit \$	\$1,578,921	25	31%	\$1,063,392
Gross Profit %	46.2%	32	40%	44.2%
Operating Expenses	\$999,852	25	31%	\$646,196
Marketing Expense	\$277,477	25	31%	\$194,932
CertaPro Royalty and Fees	\$146,999	27	33%	\$111,412
EBITDA \$ + Owner's Associate Compensation	\$429,200	26	32%	\$267,594
EBITDA % + Owner's Associate Compensation	12.5%	31	38%	11.1%

Descriptions of accounts included in the line items on the preceding page.

**Revenue** is defined as all Gross Sales generated under the franchise agreement in the performance of painting services, which may include both Residential and Commercial work, as well as any miscellaneous or ancillary services performed, such as minor repairs or carpentry.

**Cost of Goods Sold** is defined as the direct labor cost, whether subcontractors or employees, including employee benefits (if any) and government payroll taxes, customer discounts, cost of paint, materials and equipment rental associated with the performance of painting services.

**Gross Profit Dollars** is defined as Revenue less Cost of Goods Sold.

**Gross Profit Percent** is defined as Gross Profit Dollars divided by Revenue.

**Expenses** include:

1. **Operations Expenses** are incurred by businesses employing a sales associate or production associate. These include, but are not limited to wages, commissions, bonuses, benefits (if any), government payroll taxes, worker's compensation, vehicle costs, travel and entertainment, cell phones, learning and development, computer expenses, and employee recruiting. These costs also include warranty and equipment repairs and maintenance.
2. **Marketing Expenses** include any and all expenses related to direct and brand marketing to the customer, whether Residential or Commercial, such as, materials, home shows, postage, all media including digital and programs. General Advertising Fund and any local advertising cooperative expenses are also included. In addition, if the business employs a marketing associate or intern, all associated costs are included.
3. **CertaPro Royalty and Fees** include all the Royalty Fee and other fees paid by businesses to CertaPro.

4. *General & Administrative Expenses* are incurred by businesses employing an office associate. These include, but are not limited to wages, commissions, bonuses, benefits (if any), government payroll taxes, worker's compensation, vehicle costs, travel and entertainment, cell phones, learning and development, computer expenses, and employee recruiting. Excluded is Owner's Compensation paid to the principal of the business plus related benefits and payroll costs, if any.

5. *Occupancy Expenses* are incurred by businesses renting or owning a location. These include, but are not limited to, rent, property taxes, utilities, telephone, building repair and maintenance, cleaning and trash removal, depreciation, furniture, and equipment.

6. *Other Expenses* include professional services fees, cost of insurance for the business, bad debt expense, office supplies, bank charges, licenses and permits and credit card fees.

7. *Earnings* are defined as Gross Margin minus Operating Expenses (excluding Owner's Compensation, if any) *EBITDA* is defined as Earnings Before Interest, Taxes, Depreciation and Amortization.

Notes to Expenses:

Some businesses have earned this amount. Your individual results may differ. There is no assurance you will do the same. Not all businesses incur all of the expenses listed above. These Tables may not contain complete information concerning operating costs. Revenues and expenses may vary. In particular, the revenues and expenses of your business will be directly affected by many factors, such as: (a) geographic location, (b) competition in your area, (c) advertising and marketing effectiveness based on market saturation, (d) your services and their pricing, (e) vendor prices on materials and supplies, (f) whether you act as an employee of the business, (g) whether you use subcontractors or hire employees, (h) employee salaries and benefits (if any) provided, (i) insurance costs, (j) ability to generate customers, (k) customer loyalty, (l) employment and economic conditions in the market, and (m) your business abilities and efforts. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

We also recommend that you consult your financial/tax advisor or personal accountant concerning financial projections and federal, state, and local income taxes and any other applicable taxes that you may incur in operating a business, as well as regarding depreciation and amortization schedules and the period over which the assets of your business may be amortized or depreciated.

Many CertaPro franchisees obtained Payroll Protection Program loans, Economic Injury Disaster Loans, and/or other financial relief from the Small Business Association or other governmental agencies in 2020. CertaPro is unable to determine how such loans affected franchisees' financial performance in 2020.

We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable to you. The success of your franchise will depend largely upon your individual abilities and your market, and the financial results of your franchise may differ from the results summarized in this Item.

If you are interested in purchasing an existing CertaPro Business, we recommend that you make your own independent investigation of the business in making an offer to purchase. We also recommend that you consult your attorney, financial/tax advisor, or personal accountant concerning the valuation of the business.

Other than as stated above, we do not make any representations about a franchisee's future financial performance or the past financial performance of any 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 Gregory A. Shantz, General Counsel, or Michael Stone, President, by certified mail, at 2621 Van Buren Avenue, Suite 550A, Audubon, PA 19403; or by phone at (610) 650-9999; or the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

The names, addresses, and telephone numbers of the franchisees operating as of December 31, 2024 are listed by state in Exhibit A attached to this disclosure document. We have also indicated by use of an asterisk those new franchisees who purchased an existing CertaPro Business in 2022, 2023 or 2024. This list includes the franchisees who have had an outlet terminated, canceled or otherwise voluntarily or involuntarily ceased to do business under the Franchise Agreement during the one-year period prior to December 31, 2024; some franchisees who sold their businesses during 2024 may be continuing in the system under other franchises. If you buy this franchise, your contact information may be disclosed to other buyers when you leave the system. Some franchisees may have signed confidentiality provisions during the last three years, restricting their ability to speak openly about their experience with CertaPro. You may wish to speak with current and former franchisees, but be aware that not all such franchisees will be able to communicate with you.

The CertaPro Franchise Owners Association (CPFOA) is a group of franchisees selected by franchisees who meets regularly with CertaPro. CertaPro did not create and does not sponsor the CPFOA, which does not have a formal mailing address, but can be reached through the Audubon, PA office of CertaPro stated in Item 1, which is 2621 Van Buren Avenue, Suite 550A, Audubon, PA 19403; (610) 650-9999.

**TABLE NO. 1**  
**SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2022, 2023 and 2024**

<b><u>OUTLET TYPE</u></b>	<b><u>YEAR</u></b>	<b>OUTLETS AT START OF</b>	<b>OUTLETS AT END OF YEAR</b>	<b>NET CHANGE</b>
<b><u>FRANCHISED</u></b>	2022	341	330	-11
	2023	330	324	-6
	<b><u>2024</u></b>	<b><u>324</u></b>	<b><u>303</u></b>	<b><u>-21</u></b>
	2022	1	1	0
<b><u>COMPANY-OWNED</u></b>	2023	1	2	+1
	<b><u>2024</u></b>	<b><u>2</u></b>	<b><u>4</u></b>	<b><u>+2</u></b>
	2022	342	331	-11
	2023	331	326	-5
<b><u>TOTAL OUTLETS</u></b>	<b><u>2024</u></b>	<b><u>326</u></b>	<b><u>307</u></b>	<b><u>-19</u></b>