

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 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

Canadian Spray-Net Businesses

Our affiliate, SN Canada, has offered and sold franchises for the right to own and operate Businesses that are (i) operated in a substantially similar manner to the Franchised Business being offered in this Disclosure Document utilizing the same or substantially similar Proprietary Marks and System that we license to you under your Franchise Agreement, and (ii) provided initial and ongoing training and other assistance that is substantially similar to the training and support you will be entitled to receive under your Franchise Agreement in connection with your Franchised Business (each, a "CN Business"). In light of the foregoing, there is a reasonable basis to include certain historical financial information regarding the CN Businesses that (i) were actively owned and operated throughout the relevant measurement periods and (ii) meet certain other System criteria found in this Disclosure Document. Below, we disclose certain historical performance information regarding the thirteen (13) CN Businesses that were open and operating for a period of one (1) year as of December 31, 2024. We have excluded seven (7) CN Businesses that did not operate for a full year as of December 31, 2024. We have also excluded five (5) CN Businesses that did not report their complete financials to us. The sizes of Designated Territories that we expect and intend to award under this Disclosure Document are disclosed more fully in Item 12, and we expect there to be material differences between the size, geography, and demographics aspects of your Designated Territory(ies) as compared to those of the CN Businesses.

Whenever "Gross Sales" and "Gross Bookings" are disclosed for CN Businesses, they are disclosed in Canadian Dollars because (i) that is how the sales were reported to us by our affiliate or our affiliate's franchisees; and (ii) the currency exchange rate between United States currency (the U.S. Dollar or "USD") and Canadian currency (the Canadian Dollar or "CAD") is constantly in flux such that the rate as of the Issuance Date of this Disclosure Document may not be the same rate at the time you are disclosed with this Disclosure Document and/or purchase franchise rights from us. For this reason, we encourage you to review these figures in light of the current exchange rate when you are disclosed with this Disclosure Document and when you purchase franchise rights from us. While there is a difference in the exchange rate, as reflected below in this Item 19, our U.S. franchisees charge and are typically paid more on a per-job basis than the CN Businesses. The exchange rate as of the date of this Issuance Date of this Disclosure Document (April 15, 2024) is \$1 USD = \$1.4011 CAD per www.bankofcanada.ca.

United States Spray-Net Businesses

We had twenty-nine (29) franchisees open and operating in the United States as of December 31, 2024 (the "US Businesses"). Of these: (i) four (4) franchisees operated on a part-time basis during the 2024 Calendar Year, which is materially different than the full-time operation of the franchise offered under this disclosure

document; (ii) nine (9) franchisees opened for business during the 2024 Calendar Year; (iii) five (5) franchisees ceased operations on a temporary or permanent basis during the 2024 Calendar Year; and (iv) four (4) franchisees did not report financials to us beyond their Gross Booking and Gross Sales (Production). Except as stated otherwise below, we disclose certain historical financial performance information regarding the remaining seven (7) U.S. franchisees that operated for the entire 2024 Calendar Year and reported complete financial data to us (the “US Disclosed Businesses”). Together, the CN Businesses and US Businesses, and any subsets thereof, are collectively referred to in this Item 19 as “Businesses” and, individually, each as a “Business.”

Definitions

The following definitions are applicable within this Item 19:

Gross Booking. In this Item 19, the term “Gross Booking” means the total amount of work that was booked by the applicable Businesses. This includes all jobs that the applicable Businesses were hired to perform.

Gross Sales (Production). In this Item 19, the term “Gross Sales” means all revenue generated by the CN Businesses and US Businesses, as applicable. This is also referred to as “Production.” The term “Gross Sales” does not include (a) tips that customers paid to subcontractors or other personnel that are not remitted to the businesses or (b) sales tax that is collected directly from customers and paid to the appropriate taxing authority. “Gross Sales” amounts were generated from the offer, provision and sale of the Approved Products and Approved Services that our System franchisees here in the United States are authorized to offer except that none of the Gross Sales depicted herein were derived from roofing services, which are an optional service for our U.S. franchisees.

Multi-Unit. In this Item 19, “Multi-Unit” CN Businesses are those with more than 100,000 qualified single-family households within their territories. The average territory size of the twelve (12) Multi-Unit CN Businesses in this Section IV is approximately 1.5 Territories offered under this Disclosure Document. See Item 12 for more information on the Territories offered under this Disclosure Document.

Average Job Size. The Average Job Size for each Business is calculated by dividing each Business’s Gross Sales (Production) from January 1, 2024 to December 31, 2024 by its respective number of jobs.

Average. As used in this Item 19, the term “Average” – also known as the “mean” – is calculated by taking the sum of the applicable data and dividing that total by the number of individual businesses included in that data set.

Median. As used in this Item 19, the term “Median” means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number.

Section I
CN Businesses and US Disclosed Businesses
Business Performance During 2024 Calendar Year

US Disclosed Businesses Open for 12 to 19+ Months as of December 31, 2024				
	Gross Booking <u>USD</u>	Gross Sales (Production) <u>USD</u>	Gross Margin	Net Promoter Score
Number of Businesses	4	4	4	4
Average	\$469,436	\$442,678	53%	84
Median	\$499,026	\$468,798	53%	88
High	\$543,659	\$512,812	61%	100
Low	\$336,036	\$320,304	47%	62
Number and Percentage of Businesses that Met or Exceeded the Average	2 (50%)	3 (75%)	2 (50%)	3 (75%)

US Disclosed Businesses Open for 20 to 36 Months as of December 31, 2024				
	Gross Booking <u>USD</u>	Gross Sales (Production) <u>USD</u>	Gross Margin	Net Promoter Score
Number of Businesses	3	3	3	3
Average	\$782,380	\$710,687	55%	96
Median	\$749,294	\$676,409	54%	97
High	\$1,044,040	\$962,190	62%	100
Low	\$533,808	\$493,462	52%	90
Number and Percentage of Businesses that Met or Exceeded the Average	1 (33%)	1 (33%)	2 (66%)	1 (33%)

CN Businesses Open for 24 Months as of December 31, 2024				
	Gross Booking <u>CAD</u>	Gross Sales (Production) <u>CAD</u>	Gross Margin	Net Promoter Score
Number of Businesses	13	13	13	13
Average	\$1,438,626	\$1,253,259	61%	89
Median	\$1,257,056	\$1,090,285	60%	92
High	\$2,985,551	\$2,794,680	69%	100
Low	\$787,720	\$727,327	51%	60

Number and Percentage of Businesses that Met or Exceeded the Average	6 (46%)	5 (38%)	5 (38%)	8 (61%)
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Section II
CN Businesses and US Businesses
Average Job Size
January 1, 2024 to December 31, 2024

The chart in this Section II reflects the Average Job Size from the US Businesses and CN Businesses that operated during the 2024 Calendar Year and performed at least ten (10) jobs during the 2024 Calendar Year. For example, thirteen (13) US Businesses operated during the 2024 Calendar Year (but not for the entire 2024 Calendar Year) and reported performing at least ten (10) Exterior jobs. Similarly, twelve (12) US Businesses operated during the 2024 Calendar Year (but not for the entire 2024 Calendar Year) and reported performing at least ten (10) Interior jobs. The “Average” is the average of all of the Average Job Size reported by each Business during the 2024 Calendar Year.

	US Businesses USD		CN Businesses CAD	
	Exterior	Interior	Exterior	Interior
Number of Businesses	12	13	28	25
Number of Jobs	630	310	2219	938
Average	\$6,324	\$5,654	\$5,589	\$5,471
Median	\$6,254	\$5,268	\$5,205	\$5,096
High	\$12,541	\$7,050	\$10,247	\$10,193
Low	\$2,408	\$3,708	\$3,708	\$3,660
Number and Percentage of Businesses that Met or Exceeded the Average	6 (50%)	6 (46%)	11 (39%)	8 (32%)

Section III
Average Gross Sales (Production)
and Certain Disclosed and Estimated Expenses
from CN and US Businesses
January 1, 2024 to December 31, 2024

The chart in this Section III includes actual Gross Sales (Production) data and certain Disclosed Expenses and Estimated Expenses. The Gross Sales (Production) in this Section III is the actual amount that the thirteen (13) CN Businesses and seven (7) US Businesses experienced between January 1, 2024 and December 31, 2024 (see Section I). “Estimated Gross Profit” in this Section III is estimated by multiplying the applicable Gross Sales (Production) (average, median, low, high) by the applicable Gross Margin (average, median, low, high). As used in this Section III, the term “Gross Margin” means a particular business’s Gross Profit (Gross Sales (Production) less Labor and Paint costs divided by the business’s Gross Sales (Production)).

The Disclosed Expenses in this Section III are percentages derived from the CN Businesses and US Businesses that reported certain data to us between January 1, 2024 and December 31, 2024. Not all of the CN Businesses and US Businesses reported financial data to us for each category in these charts, so the column labeled “# Reported” discloses the number of Businesses that reported that particular category of Disclosed Expenses.

Average Gross Sales (Production) and Certain Disclosed and Estimated Expenses from CN Businesses							
	Average	Median	Low	High	# that Met or Exceed the Average	% that Met or Exceed the Average	# Reported
CN Businesses Months of Operation	96 Months	84 Months	48 Months	120 Months	6	46.2%	13
CN Businesses Gross Sales (Production) CAD	\$1,253,259	\$1,090,285	\$727,327	\$2,794,680	5	38.5%	13
Gross Margin	60.6%	59.9%	50.8%	69.2%	7	58.3%	12
Estimated Gross Profit CAD	\$759,435	\$652,989					
Disclosed Expenses							
Marketing	9.0%	8.2%	5.0%	15.4%	6	46.2%	13
Accounting, Professional Services & Bank fees	1.9%	1.2%	0.5%	9.9%	3	23.1%	13
Gas	2.1%	1.9%	0.8%	3.5%	5	38.5%	13
Liability Insurance	0.8%	0.5%	0.03%	2.1%	5	38.5%	13
Office Expenses	1.2%	0.1%	0.00%	6.6%	4	30.8%	13
Meals & Entertainment	0.3%	0.3%	0.02%	0.8%	6	46.2%	13
Shipping	0.5%	0.4%	0.0%	1.5%	5	38.5%	13
Vehicle, Vehicle Insurance, & Repairs	4.5%	4.1%	1.8%	9.2%	5	38.5%	13
Total Disclosed Expenses	20.2%	16.8%					
Estimated Expenses							
Estimated Royalties (7% of Gross Sales) CAD	\$87,728	\$76,320	See Item 6 (7% of Gross Sales subject to minimum amounts)				
Estimated Business Management Software CAD	\$7,333	\$6,926	One year. See Item 6 (\$350/month + 0.25% of Gross Sales)				
Estimated Convention & Regional Meetings CAD	\$2,500	\$2,500	One year. See Item 6				
Estimated Tech Package CAD	\$300	\$300	One year. See Item 6				
Estimated Sales Commissions CAD	\$75,196	\$65,417	Most of our franchisees do not incur sales commission expenses because they handle the sales of their Franchised Businesses themselves. However, we recommend that franchisees pay 6% Sales Commissions.				
Estimated EBITDA (Estimated Gross Profit less Disclosed Expenses Percentages and Estimated Expenses) CAD	\$332,960	\$318,115	These figures only include the Disclosed Expenses and Estimated Expenses listed in this table and do not include all of the costs you will incur in the development and ongoing operation of your Franchised Business.				
Estimated EBITDA as a percentage of Gross Sales (Production)	26.6%	29.2%					

Average Gross Sales (Production) and Certain Disclosed Expenses from US Businesses							
	Average	Median	Low	High	# that Met or Exceed the Average	% that Met or Exceed the Average	# Reported
US Businesses Months of Operation	25 Months	19 Months	19 Months	36 Months	3	42.9%	7
US Businesses Gross Sales (Production) USD	\$557,539	\$493,462	\$320,305	\$962,190	2	28.6%	7
Gross Margin	54.8%	55.9%	47.2%	61.9%	4	57.1%	7
Estimated Gross Profit USD	\$305,366	\$275,920					
Disclosed Expenses							
Marketing	15.0%	15.9%	10.1%	19.1%	4	57.1%	7
Accounting, Professional Services & Bank fees	1.5%	1.7%	0.5%	2.4%	4	57.1%	7
Gas	1.2%	1.1%	1.0%	1.7%	2	28.6%	7
Liability Insurance	1.4%	1.4%	0.5%	2.3%	3	42.9%	7
Office Expenses	2.5%	2.3%	0.0%	6.1%	3	42.9%	7
Meals & Entertainment	0.9%	0.3%	0.1%	2.7%	2	28.6%	7
Shipping	1.1%	1.0%	0.9%	1.8%	2	28.6%	7
Vehicle, Vehicle Insurance, & Repairs	1.3%	0.9%	0.2%	3.2%	2	33.3%	7
Total Disclosed Expenses	24.8%	24.6%					
Estimated Expenses							
Estimated Royalties (7% of Gross Sales) USD	\$39,028	\$34,542	See Item 6 (7% of Gross Sales subject to minimum amounts)				
Estimated Business Management Software USD	\$5,594	\$5,434	One year. See Item 6 (\$350/month + 0.25% of Gross Sales)				
Estimated Convention & Regional Meetings USD	\$2,500	\$2,500	One year. See Item 6				
Estimated Tech Package USD	\$300	\$300	One year. See Item 6				
Estimated Sales Commissions	\$0	\$0	Most of our franchisees do not incur sales commission expenses because they handle the sales of their Franchised Businesses themselves. However, we recommend that franchisees hire a salesperson and pay 6% Sales Commissions as their business grows. Estimated Sales Commissions are omitted here because of the average length of time in operation of the US Businesses (17 Months) as compared to the average length of time in operation of the CN Businesses (78 Months).				
Estimated EBITDA (Estimated Gross Profit less Disclosed Expenses Percentages and Estimated Expenses) USD	\$119,561	\$111,566	These figures only include the Disclosed Expenses and Estimated Expenses listed in this table and do not include all of the costs you will incur in the development and ongoing operation of your Franchised Business.				
Estimated EBITDA as a percentage of Gross Sales (Production)	21.4%	22.6%					

Section IV
Average Net Promoter Score
January 1, 2024 to December 31, 2024

Note: The chart below in this Section IV includes Net Promoter Score data from seven (7) US Businesses that operated for any amount of time during the 2024 Calendar Year (not necessarily the entire year) and eleven (11) CN Businesses that operated for any amount of time during the 2024 Calendar Year (not necessarily the entire year) subject to the following criteria: (i) they must have had at least a twenty percent (20%) response rate and (ii) at least ten (10) responses to requests for reviews.

	US Businesses	CN Businesses
Number of Businesses	7	11
Average	89	88
Median	90	92
High	100	100
Low	62	60
Number and Percentage of Franchisees that Met or Exceeded the Average	4 (57.1%)	9 (81.2%)

General Notes to this Item 19:

1. **Some outlets have sold this amount. Your individual results may differ. There is no assurance you will sell as much.**
2. Written substantiation for these financial performance representations will be made available to the prospective franchisee upon reasonable request.
3. We encourage you to consult with your own accounting, business, and legal advisors to assist you in preparing your budgets and projections, and to assess the likely or potential financial performance of your franchise. We also encourage you to contact existing franchisees to discuss their experiences with the system and their franchise business. Notwithstanding the information within this financial performance representation, existing franchisees of ours are your best source of information about franchise operations.
4. As noted above, the CN Businesses are located in Canada and reported the financial data included in this Item 19 to us in Canadian Dollars.
5. Please note that nothing in this Item 19 discloses any of the (a) initial and ongoing cost of goods, labor, occupancy-related fees (i.e., rent and security deposit), taxes or any other of the initial and ongoing costs that the owners of the Businesses incurred in connection with the operation of each such Business over the applicable time periods described in this Item, or (b) the various fees and payments you will be required to pay to us or our Approved Supplier(s) under your Franchise Agreement.
6. Please note that each of the CN Businesses did not incur the kinds of initial start-up costs and investment during the time periods described in this Item 19 that you will likely incur in connection with establishing, building out and opening your Franchised Business, including, without

limitation: (i) utility and lease security deposits; (ii) leasehold improvements and build-out costs, along with the furniture/fixtures/equipment, computer system (hardware) and signage required to open your Franchised Business; (iii) business permits and licenses (to an extent); (iv) Initial Franchise Fee and other amounts due to us or our Approved Suppliers prior to opening your Franchised Business (as described in Items 5 and 8 of this Disclosure Document); and (v) certain legal fees, accounting fees and administrative expenses incurred prior to and during the grand opening and subsequent operation of the Franchised Business. The figures provided in this Item 19 exclude certain tax liabilities that you will be responsible for, and do not include the professional fees or other administrative expenses that you might incur in connection with opening and commencing operations of your Franchised Business, including legal and accounting fees.

7. We suggest strongly that you consult your financial advisor or personal accountant concerning USD to CAD currency conversions, financial projections, and federal, state and local income taxes and any other applicable taxes that you may incur in operating a Franchised Business.

Other than the preceding financial performance representation, we do 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 our management by contacting Kevin Houben, Spray-Net, Inc., at 1409 de Coulomb, Boucherville, Quebec, J4B 7M2, (877) 457-7729, as well as the Federal Trade Commission and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Years 2022 through 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	11	26	+15
	2023	26	27	+1
	2024	27	29	+2
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	11	26	+15
	2023	26	27	+1
	2024	27	29	+2

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2022 through 2024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Colorado	2022	0
	2023	0
	2024	1
Totals	2022	0
	2023	0
	2024	1

Table No. 3
Status of Franchised Outlets
For Years 2022 through 2024