

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 sets forth certain historical information for franchisee-owned outlets for the 2024 fiscal year. As of December 31, 2024, there were 77 franchisees operating in 176 Territories. Franchisees operate either in a single territory or multiple Territories collectively as one Franchised Business. Franchisees who operate multiple territories do not operate, account or report each territory individually and the historical data reflected in this Item 19 is based on the totals for all Territories owned in conjunction with their Monster Tree Service Franchised Businesses. The data in this Item from the period prior to May 14, 2021, was collected by our predecessor.

PART ONE
GROSS REVENUE BY YEARS IN BUSINESS FOR THE FISCAL YEAR ENDED DECEMBER 31, 2024

Part One presents information on 72 franchisees (representing 166 Territories) that were in operation for the entire 2024 fiscal year. Excluded from the tables are 4 franchisees (representing 7 Territories) that opened in the 2024 fiscal year, 26 franchisees (representing 48 Territories) that ceased operation during the 2024 fiscal year and 1 franchisee (representing 3 Territories) that was in operation for the entire 2024 fiscal year but did not report Gross Revenue using our standard reporting procedures through the required CRM/Estimating/Job Costing software.

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PART ONE-A
Gross Revenue by Years in Business, by Territory
For the Fiscal Year Ended December 31, 2024

AVERAGE ANNUAL GROSS REVENUE ⁽¹⁾⁽²⁾	IN OPERATION FOR 13 to 24 MONTHS	IN OPERATION FOR 25 to 36 MONTHS	IN OPERATION FOR 37+ MONTHS
Number of Franchisees in Group	4	3	65
Number of Territories in Group	7	7	152
Aggregate Annual Gross Revenue of Territories in Group	\$1,575,422	\$1,642,266	\$79,507,147
Average Annual Gross Revenue Per Territory for Group	\$225,060	\$234,609	\$523,073
Median Annual Gross Revenue of Territories in Group	\$278,422	\$315,068	\$505,703
Highest Annual Gross Revenue of Territories in Group	\$565,608	\$499,517	\$1,457,868
Lowest Annual Gross Revenue of Territories in Group	\$85,645	\$170,871	\$25,130
Number of Territories Above Average Annual Gross Revenue in Group	4	3	54
Percentage of Territories Above Average Annual Gross Revenue in Group	57%	43%	36%
Same Store Sales ⁽³⁾	N/A	\$1,725,064	\$73,682,563

Notes to Part One-A:

- (1) **“Gross Revenue”** means all revenue from the sale of products and services and all other income of every kind related to the Franchised Business, whether for cash, credit, trade, barter or other value and regardless of collection in the case of credit and even if you have contracted with third parties to provide certain of the services, less any bona fide refunds given to customers in the ordinary course of business. Gross Revenue also includes amounts billed to insurance or government programs. You agree that **“Gross Revenue”** includes all revenue related to the sale of any products and the performance of any services (whether or not the products or services are approved by Franchisor) that are provided using any portion of the Franchised Business in any manner, including the Marks (such as service vehicles, invoices, and uniforms bearing the Marks), the System, Confidential Information, any of the employees of the Franchised Business, or the telephone number of the Franchised Business. “Gross Revenue” shall not be reduced on account of any fees or commissions you pay to third parties who refer customers. “Gross Revenue” does not include any sales taxes or other taxes you collect from customers and pay directly to the appropriate taxing authority. We reserve the right to modify our policies and practices regarding revenue recognition, revenue reporting, and the inclusion or exclusion of certain revenue from “Gross Revenue” as circumstances, business practices, and technology change.

- (2) The “**Average Annual Gross Revenue**” for each group was calculated by dividing the Aggregate Gross Revenue by the number of the Territories in the respective Group.
- (3) “**Same Store Sales**” reports the total Gross Revenue between fiscal years 2023 and 2024 for the Territories that were in business and reporting Gross Revenue as of December 31, 2023, and as of December 31, 2024. See Note 1 for the definition of “Gross Revenue”.

PART ONE -B
Gross Revenue by Years in Business, by Franchisee
For the Fiscal Year Ended December 31, 2024

AVERAGE ANNUAL GROSS REVENUE ⁽¹⁾⁽²⁾	IN OPERATION FOR 13 to 24 MONTHS	IN OPERATION FOR 25 to 36 MONTHS	IN OPERATION FOR 37+ MONTHS
Number of Franchisees in Group	4	3	65
Number of Territories in Group	7	7	152
Aggregate Annual Gross Revenue of Franchisees in Group	\$1,575,422	\$1,642,266	\$79,507,147
Average Annual Gross Revenue Per Franchisee for Group	\$393,855	\$547,422	\$1,223,187
Median Annual Gross Revenue of Franchisees in Group	\$376,440	\$512,613	\$1,032,315
Highest Annual Gross Revenue of Franchisees in Group	\$565,608	\$630,136	\$3,683,050
Lowest Annual Gross Revenue of Franchisees in Group	\$256,934	\$499,517	\$75,389
Number of Franchisees Above Average Annual Gross Revenue in Group	1	1	27
Percentage of Franchisees Above Average Annual Gross Revenue in Group	25%	33 %	42%
Same Store Sales ⁽³⁾	N/A	\$1,725,064	\$73,682,563

Notes to Part One-B:

- (1) The averages reported in the table are per franchisee, not per Territory. “Franchisee” refers to the business entity that signed the Franchise Agreement; some franchisees are under common ownership by the same individual or group of individuals.
- (2) The “**Average Annual Gross Revenue**” for each group was calculated by dividing the Aggregate Gross Revenue by the number of the Territories in the respective Group.
- (3) “**Same Store Sales**” reports the total Gross Revenue between fiscal years 2023 and 2024 for the Territories that were in business and reporting Gross Revenue as of December 31, 2023, and as of December 31, 2024. See Note 1 to Part One-A for the definition of “Gross Revenue”.

PART TWO
GROSS REVENUE, OPERATING EXPENSE RATIOS, AND EBITDA MARGINS
FOR THE FISCAL YEAR ENDED 2024

The table below reports the Gross Revenue and certain Operating Expenses based on the averages for 53 franchisees (representing 138 Territories) that reported Gross Revenue during the entire 2024 fiscal year. Excluded from this Part 2 are 2 franchisees (representing 7 Territories) that opened during the 2024 fiscal year, 26 franchisees (representing 48 Territories) that ceased operations during the 2024 fiscal year, and 20 franchisees (representing 31 Territories) that were in operation for the entire 2024 fiscal year but did not submit a P&L using standard accounting methods or failed to provide complete financial records utilizing the standard accounting software, QuickBooks. See Note 1 to Part One-A for the definition of “Gross Revenue.”

Quartile (by Revenue)	Quartile 1	Quartile 2	Quartile 3	Quartile 4	Total Group
<i>Number of Franchisees</i>	14	13	13	13	53
<i>Number of Territories</i>	46	31	32	29	138
Average Gross Revenue Per Franchisee in Group	\$2,234,991	\$1,409,739	\$975,148	\$592,713	\$1,320,730
Average Cost of Goods Sold Per Franchisee in Group	\$1,058,144	\$652,470	\$448,992	\$315,556	\$627,080
Average Gross Profit Per Franchisee in Group	\$1,176,847	\$757,269	\$526,156	\$277,156	\$693,649
Average Gross Margin Per Franchisee in Group	53%	54%	54%	47%	53%
Average Operating Expenses Per Franchisee in Group	\$758,730	\$565,182	\$406,876	\$226,276	\$494,350
Average EBITDA Per Franchisee in Group	\$418,117	\$192,087	\$119,280	\$50,881	\$199,299
Average EBITDA Margin Per Franchisee in Group	19%	14%	12%	9%	15%
Highest Gross Revenue Of Franchisees in Group	\$3,686,050	\$1,564,970	\$1,134,411	\$724,958	\$3,686,050
Lowest Gross Revenue of Franchisees in Group	\$1,628,396	\$1,210,482	\$726,966	\$391,427	\$391,427
Median Gross Revenue of Franchisees in Group	\$2,050,131	\$1,412,605	\$992,077	\$612,762	\$1,210,482
Number of Franchisees that Exceeded Average Gross Revenue in Group	6	7	7	7	24
Percentage of Franchisees that Exceeded Average Gross Revenue in Group	43%	54%	54%	54%	45%

Quartile (by Revenue)	Quartile 1	Quartile 2	Quartile 3	Quartile 4	Total Group
Highest Gross Profit Margin Of Franchisees in Group	66%	86%	84%	80%	86%
Lowest Gross Profit Margin of Franchisees in Group	21%	38%	28%	26%	21%
Median Gross Profit Margin of Franchisees in Group	55%	54%	53%	47%	53%
Number of Franchisees that Exceeded Average Gross Profit Margin in Group	9	6	6	8	27
Percentage of Franchisees that Exceeded Average Gross Profit Margin in Group	64%	46%	46%	62%	51%
Highest EBITDA of Franchisees in Group	\$1,012,537	\$287,762	\$285,939	\$174,700	\$1,012,537
Lowest EBITDA of Franchisees in Group	(\$274,163)	\$15,543	(\$178,593)	(\$157,140)	(\$274,163)
Median EBITDA of Franchisees in Group	\$411,241	\$185,625	\$150,730	\$68,630	\$174,700
Number of Franchisees that Exceeded Average EBITDA in Group	4	2	6	5	13
Percentage of Franchisees that Exceeded Average EBITDA in Group	29%	15%	46%	39%	25%

Notes to Part Two:

- (1) **“Average Cost of Goods Sold”** is defined as the sum of the Cost of Goods sold for each franchisee in the quartile and divided by the total number of franchisees in the respective quartile. “Cost of Goods Sold” includes:
 - a. *Cost of Production Expenses.* Cost of Production Expenses includes the expenses of Dumping and Hauling Fees, Equipment Rentals, Materials and Supplies, Subcontractors, Customer Repairs and Work Apparel.
 - b. *Cost of Production Labor.* Cost of Production Labor is defined as employee compensation for tree care and plant healthcare production, computed and paid on an hourly basis, including overtime. It also includes the cost of Workers Compensation Insurance.
 - c. *Cost of Equipment & Vehicles.* Cost of Equipment & Vehicles is defined as the cost of equipment and vehicle fuels, equipment and vehicle repairs, parking & tolls for production vehicles, and the cost of Fleet Management Software.
- (2) **“Average Gross Profit”** is defined as the sum of Gross Profit for each franchisee in the quartile and divided by the total number of franchisees in the respective quartile. **“Gross Profit”** is defined as Gross Revenue minus Cost of Goods Sold, and **“Gross Margin”** is Gross Profit expressed as a percentage of Gross Revenue.

- (3) “**Average Operating Expenses**” is defined as the sum of certain expenses defined below (“**Operating Expenses**”) for each franchisee in the quartile and then divided the total number of franchisees in the respective quartile. Operating Expenses detailed in this section exclude all other costs and expenses necessary to operate the business, including taxes, finance charges, and owner compensation/salary and benefits, which you may incur as a franchisee. The expenses included in the definition of “Operating Expenses” are:
- a. *Marketing Expenses*. “Marketing Expenses” are defined as all payments on behalf of advertising and marketing endeavors. This expense category also includes the cost of the website, monthly expenditure for SEO and monthly expenditure for digital advertising.
 - b. *Non-Production Payroll*. “Non-Production Payroll” is defined as employee compensation for office staff and sales arborists, including commissions paid. This category does not include any Owner compensation, which has been eliminated from these results.
 - c. *Employee Benefits*. “Employee Benefits” is defined as all costs related to health insurance, dental insurance and any 401(k) or other retirement plan offered to employees.
 - d. *Insurance Expenses*. “Insurance Expenses” is defined as general liability insurance, property insurance and any other types of insurance.
 - e. *Selling Expenses*. “Selling Expenses” is defined as salesperson’s automobile, parking, tolls, travel, and other selling expenses.
 - f. *Bank & Merchant Fees*. “Bank & Merchant Fees” is defined as credit card (sales) processing fees and charges, as well as banking charges and fees.
 - g. *Administrative Expenses*. “Administrative Expenses” is defined as spending for Recruiting, Computer Supplies and Expense, Dues & Subscriptions, Education & Training, Business Meals, General Office Supplies, Postage, Rent (equipment facility and storage), Telephone, Travel, and Utilities.
 - h. *Professional Fees*. “Professional Fees” is defined as expenses for legal advice, accounting services, and other professional services.
 - i. *Franchise Obligations*. “Franchise Obligations” is defined as Royalty Fee payments and Brand Fund Contributions payable under a franchisee’s franchise agreement.
- (4) “**EBITDA**” is defined as Gross Revenue minus Total Expenses, and “**EBITDA Margin**” is EBITDA expressed as a percentage of Gross Revenue.

PART THREE
TOTAL ESTIMATES, AVERAGE JOB SIZE, AND CLOSE RATIO

The table below sets forth the average total job estimates, average close ratio and average job size of 55 Franchisees (representing 130 Territories) that were in operation for the entire 2024 fiscal year and used the required CRM/Estimating/Job Costing software to report the information.

	Average Performance of Franchisees in Group	Median Performance of Franchisees in Group	Highest Performance of Franchisees in Group	Lowest Performance of Franchisees in Group	Number of Franchises Exceeding Average	Percent of Franchisees Exceeding Average
Total Estimates	1,382	1,146	4,115	193	22	40%
Close Ratio	52%	51%	74%	34%	25	45%
Average Job Size	\$2,027	\$1,957	\$4,543	\$980	\$2,027	36%

Notes to Part Three:

- (1) “**Total Estimates**” is defined as Total Paid Jobs divided by close rate. This includes all estimates completed for customers in 2024.
- (2) “**Close Ratio**” is defined as Completed and Accepted Sales Orders divided by Total Estimates prepared during the 2024 fiscal year.
- (3) “**Average Job Size**” is defined as the total Gross Revenue of Completed and Accepted Sales Orders divided by the number of Completed and Accepted Sales Orders. “**Completed Sales Orders**” are defined as the transactions upon which a customer(s) has been issued a final sales invoice for a job in which no additional labor or material costs will be expended. “**Accepted Sales Orders**” are defined as the transactions upon which a customer(s) has committed to the work but work has not been completed and an invoice has not been issued.

PART FOUR
PLANT HEALTHCARE GROSS REVENUE

The tables below set forth the Gross Revenue generated from Plant Healthcare (“**PHC Gross Revenue**”) jobs and the respective percentage increase from the prior fiscal year (“**Y-o-Y Growth Percentage**”) for the fiscal year ending December 31, 2024, and the fiscal year ending December 31, 2023. The tables include 47 franchisees (representing 107 Territories) that were in operation for the entire 2023 and 2024 fiscal years and used the required CRM/Estimating/Job Costing software to report the information. “**Plant Healthcare**” is defined as the care of plants, trees and shrubs by developing and maintaining overall health and includes fertilization, suppression of diseases or reduction and/or elimination of insect populations causing decline or death of tree, shrubs or plants and does not include tree removal, pruning, and stump grinding services.

Year	Aggregate PHC Gross Revenue for Franchisees in Group	Average PHC Gross Revenue for Franchisees In Group	Y-o-Y Growth Percentage
2023	\$2,201,490	\$46,840	
2024	\$2,974,831	\$63,294	35%

Notes to Part Four:

- (1) The averages reported in the table are per franchisee, not per Territory.
- (2) The “**Average PHC Gross Revenue**” was calculated by dividing the Aggregate PHC Gross Revenue by the 47 franchisees included in the table.
- (3) The median PHC Gross Revenue for the 47 franchisees included in the table for the 2024 fiscal year was \$25,827.
- (4) The highest PHC Gross Revenue for the 47 franchisees included in the table for the 2024 fiscal year was \$492,161.
- (5) The lowest PHC Gross Revenue for the 47 franchisees included in the table for the 2024 fiscal year was \$2,143.
- (6) The number of franchisees meeting or exceeding the Average PHC Gross Revenue for the 2024 fiscal year was 12.
- (7) The percentage of franchisees meeting or exceeding the Average PHC Gross Revenue for the 2024 fiscal year was 26%.

* * *

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

The financial information we utilized in preparing the preceding financial performance representations was based entirely upon information reported to us by franchisees.

Written substantiation for these financial performance representations will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, Monster Franchising SPE LLC does not make any financial performance representations. 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 Jordan Wilson, Monster Franchising SPE LLC, 7120 Samuel Morse Drive, Suite 300, Columbia, Maryland 21046, (410) 740-1900, 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⁽¹⁾⁽²⁾⁽³⁾

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	244	247	+3
	2023	247	214	-33
	2024	214	176	-38
Company-Owned	2022	3	3	0
	2023	3	3	0
	2024	3	0	-3
TOTALS	2022	247	250	+3
	2023	250	217	-33
	2024	217	176	-41

Notes to all Item 20 Tables:

- (1) Our fiscal year ends December 31. The figures in the tables are as of our fiscal year end each year.
- (2) The figures are for the number of territories in operation at year-end. Each franchise Territory has a separate Franchise Agreement.
- (3) As of December 31, 2024, there were 77 franchisees in operation; the number of Territories in operation for each franchisee is shown in Exhibit F. See Table 5 below regarding Territories that were not yet in operation under Franchise Agreements that had been signed as of year-end.