

## **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) 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.

### **DEFINITIONS**

- (a) Average – means the sum of all data points in a set, divided by the number of data points in that set.
- (b) Adjusted Profit – means Gross Profit less Disclosed Expenses. Adjusted Profit is not equal to net profit or income and, except as to Cost of Goods and Services Sold and Disclosed Expenses, does not include the deduction of all other expenses incurred by a Lifetime Green Coatings Business including, but not limited to, other operating expenses, interest, taxes, depreciation, and amortization.
- (c) Calendar Year – means, as to each respective year, the 12 month period commencing on January 1 and ending on December 31.
- (d) Company Owned Outlet – means an Outlet owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document. A Company Owned Outlet also includes any Outlet that is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document, or that is managed by us our affiliate, or any person identified in Item 2.
- (e) Costs of Goods and Services Sold – means the direct non-managerial and non-administrative cost of goods sold and labor incurred by an Outlet in directly performing and/or installing Approved Services and Products resulting in Gross Sales. Cost of Goods and Services Sold do not include managerial expenses, administrative expenses, Disclosed Expenses, general expenses, or operating expenses.
- (f) Disclosed Expenses – refers to a limited selection of expenses as disclosed in the tables to this Item 19, comprised of the following select expense categories: labor, rent, utilities, service vehicle, insurance, office supplies, technology fee, credit card processing fees, and miscellaneous expenses.
- (g) Franchise Outlet – refers to a Lifetime Green Coatings Business operated under a Franchise Agreement that is not a Company Owned Outlet.
- (h) Gross Profit – means Gross Sales less Cost of Goods and Services Sold. Gross Profit is not net profit or income and, except as to Cost of Goods and Services Sold, does not include the deduction of all other expenses incurred by a Lifetime Green Coatings Business including, but not limited to, Disclosed Expenses, operating expenses, interest, taxes, depreciation, and amortization.
- (i) Gross Sales – means the total revenue derived by each outlet less sales tax, discounts, allowances and returns.
- (j) 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. If the data set contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.

(k) New Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet (see definition below). If this Franchise Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2024 Calendar Year.

(l) Operational Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation on or prior to the commencement of the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet, see definition above, and not as an Operational Franchise Outlet. If this Franchise Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2024 Calendar Year.

(m) Outlet – refers to either a Company Owned Outlets or Franchise Outlet, as the context requires.

(n) Quartile – refers to the relative performance of the operational Outlets, a Company Owned Outlet or Franchise Outlet, as the context requires. The “1<sup>st</sup> Quartile” refers to the top 25% performing operational Outlets based on Gross Sales, the “2<sup>nd</sup> Quartile” refers to the next highest 25% performing operational Outlets based on Gross Sales, and so on.

(n) YOY Sales Growth – refers to the year over year calculation of the percentage of growth for Gross Sales for each Outlet. YOY Sales Growth is calculated by comparing the Gross Sales of a particular Calendar Year with the Gross Sales for the next Calendar Year.

## **BASES AND ASSUMPTIONS**

The financial information was prepared on a basis consistent with generally accepted accounting principles during the respective Calendar Years. Data for our Company Owned Outlet is based on information reported to us by our affiliate. Data for our Operational Franchise Outlets is based on financial information reported to us by our franchisees. The information in this analysis has not been audited and is based on historical financial data.

## **ANALYSIS OF COMPANY OWNED OUTLET**

During the 2021 Calendar Year we had two Company Owned Outlets comprised of our Denver, Colorado Company Owned Outlet and our Dallas, Texas Company Owned Outlet. Although our Denver, Colorado Company Owned Outlet was an open and operational Company Owned Outlet during the 2021 Calendar Year, this Outlet permanently closed in 2022 to be sold as franchised Territories and, as such, we do not report the data for this Company Owned Outlet. Our Dallas, Texas Company Owned Outlet operates in densely populated metropolitan markets where the Lifetime Green Coating brand maintains significant awareness among consumers and operates in Multiple Territories. The table below provides additional information regarding our Company Owned Outlet:

<b>Company Owned Outlet</b>	<b>Year Opened</b>	<b>Description and Territory Size</b>
Dallas, TX	2016	This Company Owned Outlet operates in Multiple Territories consisting, in aggregate, of approximately 526,504 single family dwellings comprising five Territories that have been supplemented with additional single family dwellings.

Below we report select financial performance data of our Company Owned Outlet for the 2021, 2022, 2023 and

2024 Calendar Years.

Table 1

<b>Company Owned Outlet</b> <b>Dallas, Texas</b>   2021-2022 YOY Sales Growth: +10.44%   2022-2023 YOY Sales Growth: +10.30%   2023-2024 YOY Sales Growth: +1.13%								
	<b>2021</b>		<b>2022</b>		<b>2023</b>		<b>2024</b>	
	<b>Calendar Year</b>		<b>Calendar Year</b>		<b>Calendar Year</b>		<b>Calendar Year</b>	
	<b>Total</b>	<b>Percentage</b>	<b>Total</b>	<b>Percentage</b>	<b>Total</b>	<b>Percentage</b>	<b>Total</b>	<b>Percentage</b>
<b>Gross Sales*</b>	<b>\$1,825,264</b>	<b>100.00%</b>	<b>\$2,015,821</b>	<b>100.00%</b>	<b>\$2,223,441</b>	<b>100.00%</b>	<b>\$2,248,661</b>	<b>100.00%</b>
Cost of Goods and Services Sold	\$427,547	23.42%	\$637,861	31.64%	\$694,021	31.21%	\$711,178	31.63%
<b>Gross Profit</b>	<b>\$1,397,717</b>	<b>76.58%</b>	<b>\$1,377,960</b>	<b>68.35%</b>	<b>\$1,529,420</b>	<b>68.79%</b>	<b>\$1,537,483</b>	<b>68.37%</b>
<b>LESS: Disclosed Expenses:</b>								
- Administrative Labor	(\$140,065)	7.67%	(\$122,777)	6.09%	(\$138,499)	6.23%	(\$177,175)	9.34%
- Rent	(\$ 22,103)	1.21%	(\$ 7,888)	0.39%	(\$ 13,134)	0.59%	(\$ 10,693)	0.32%
- Utilities	(\$ 5,053)	0.28%	(\$ 2,236)	0.11%	(\$ 5,073)	0.23%	(\$ 7,212)	0.32%
- Vehicle	(\$ 17,573)	0.96%	(\$ 59,012)	2.93%	(\$ 55,030)	2.47%	(\$ 54,315)	2.01%
- Insurance	(\$ 11,803)	0.65%	(\$ 10,995)	0.55%	(\$ 11,573)	0.52%	(\$ 26,099)	1.16%
- Office Supplies	(\$ 20,650)	1.13%	(\$ 4,384)	0.22%	(\$ 1,772)	0.08%	(\$ 3,115)	0.27%
- Technology fees	(\$ 3,328)	0.18%	(\$ 1,993)	0.10%	(\$ 1,643)	0.07%	(\$ 5,733)	0.25%
- Credit Card Processing	(\$ 4,498)	0.25%	(\$ 2,500)	0.12%	(\$ 2,236)	0.10%	(\$ 3,067)	0.14%
- Marketing	(\$ 11,519)	0.63%	(\$ 27,169)	1.35%	(\$ 25,096)	1.13%	(\$ 37,009)	1.60%
- Other & Miscellaneous	(\$ 2,432)	0.13%	(\$ 1,565)	0.08%	(\$ 1,141)	0.05%	(\$ 1,639)	0.69%
<b>Adjusted Profit - Before Franchise Related Expenses</b> <sup>Note 1</sup>	<b>\$1,158,695</b>	<b>63.48%</b>	<b>\$1,137,441</b>	<b>56.4%</b>	<b>\$1,274,223</b>	<b>57.31%</b>	<b>\$1,211,426</b>	<b>53.87%</b>
<b>LESS:</b> Adjustments for other recurring franchisee related expenses that will be incurred by you but that were not incurred or paid by our Company Owned Outlet. <sup>Note 1</sup>								
<b>Adjustment: Disclosed Expenses not paid by Company Owned Outlet but charged to Franchisees:</b>								
- Royalty Fee <sup>Note 2</sup>	(\$127,768)	7.00%	(\$141,107)	7.00%	(\$155,641)	7.00%	(\$157,406)	7.00%
- Brand Development Fund Fee <sup>Note 3</sup>	(\$ 18,253)	1.00%	(\$ 20,158)	1.00%	(\$ 22,234)	1.00%	(\$ 22,487)	1.00%
- Local Marketing Adjustment <sup>Note 4</sup>	(\$ 79,744)	4.40%	(\$ 73,622)	3.60%	(\$ 86,047)	3.87%	(\$ 76,454)	3.40%
- Product Cost Adjustment <sup>Note 5</sup>	(\$109,516)	6.00%	(\$120,949)	6.00%	(\$133,406)	6.00%	(\$134,920)	6.00%
<b>Adjusted Profit - After Franchise Related Expenses</b> <sup>Note 1</sup>	<b>\$823,414</b>	<b>45.11%</b>	<b>\$781,605</b>	<b>38.8%</b>	<b>\$876,895</b>	<b>39.44%</b>	<b>\$820,159</b>	<b>36.47%</b>
*Gross Sales does not include any government or federal loan assistance.								
<b>Notes to Tables 1:</b>								
1. <u>Adjustments for Franchisee Related Expenses</u> – These adjustments are for expenses that you will be required to pay to us as a franchisee but that were not incurred by our Company Owned Outlets.								
2. <u>Royalty</u> – The recurring weekly Royalty Fee is equal to 7% of Gross Sales. We based our adjustment on 7% of Gross Sales.								
3. <u>Brand Development Fund Fee</u> – We reserve the right to implement a Brand Development Fund Fee in an amount equal to up to 2% of your recurring weekly Gross Sales. Currently we have implemented a Brand Development Fund Fee of 1% of weekly Gross Sales. We based our adjustment on 1% of Gross Sales.								
4. <u>Local Marketing</u> – You will be required to spend not less than 5% of your Gross Sales on the local marketing of your Business. In 2021, 2022, 2023 and 2024 our Reporting Company Owned Outlet spent less than 5% of Gross Sales on local marketing. In this adjustment, we include the difference between the 5% local marketing requirement and the amounts that were actually spent by our Reporting Company Owned Outlet.								
5. <u>Product Cost Adjustment</u> – A primary System Supply includes a base coat that you must exclusively purchase from us or our affiliate. Our Company Owned Outlets purchase these products at a discount that will not be available to you as a franchisee. This discount is not currently available to Franchise Outlets. The “Product Cost Adjustment” reflects the additional cost that would be incurred by our Company Owned Outlets if they purchased these System Supplies at prices that, during the respective Calendar Years, would have been available to Operational Franchise Outlets.								

Material financial and operational characteristics that are reasonably anticipated to differ from future operational franchise outlets include: (a) managerial skill and efficiency experienced by our Company Owned Outlets as a result of our extensively experienced management team; (b) brand recognition within the local markets in which our Company Owned Outlets operate; and (c) no obligation to pay ongoing monthly fees that a franchisee will pay to us, such as royalties and a brand development fund fee.

## FRANCHISE OUTLETS

During the 2021 and 2022 Calendar Years we had no Franchise Outlets. During the 2023 Calendar Year we had 35 Franchise Outlets, of which none qualified as Operational Franchise Outlets. During the 2024 Calendar Year, we had 54 Franchise Outlets, of which 16 qualified as Operational Franchise Outlets. Below we report data for our Operational Franchise Outlets during the 2024 Calendar Year. We do not report data for New Franchise Outlets because they were not open for the entire 2024 Calendar Year. We also do not report data for Franchise Outlets that were either terminated or ceased operations for other reasons during the 2024 Calendar Year, including Franchise Outlets that transferred their Territories to other Franchise Outlets and thereafter stopped operating during the full 2024 Calendar Year.

The Table below sets forth additional information regarding our Operational Franchise Outlets during the 2024 Calendar Year:

Table 2

Operational Franchise Outlet Summary	
Outlet	Outlet Description
Outlet 1	This Outlet commenced operations in February 2023. Currently, this Outlet operates in two Base Operating Territories plus 1 Territory, representing a total population of approximately 300,000 single family dwellings. This Outlet operates 1 service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an Operational Franchise Outlet for the 2024 Calendar Year.
Outlet 2	This Outlet commenced operations in March 2023. This Outlet operates in an Operating Territory consisting of a Base Territory, representing a total population of approximately 100,000 single family dwellings. This Outlet operates 1 service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an Operational Franchise Outlet for the 2024 Calendar Year.
Outlet 3	This Outlet commenced operations in July 2023. This Outlet operates in an Operating Territory consisting of a Base Territory, representing a total population of approximately 100,000 single family dwellings. This Outlet operates 1 service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an Operational Franchise Outlet for the 2024 Calendar Year.
Outlet 4	This Outlet commenced operations in July 2023. This Outlet operates in an Operating Territory consisting of a Base Territory plus 2 Territories, representing a total population of approximately 300,000 single family dwellings. This Outlet operates 1 service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an Operational Franchise Outlet for the 2024 Calendar Year.
Outlet 5	This Outlet commenced operations in September 2023. This Outlet operates in an Operating Territory consisting of a Base Territory plus 1 Territory, representing a total population of approximately 200,000 single family dwellings. This Outlet operates 1 service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an Operational Franchise Outlet for the 2024 Calendar Year.
Outlet 6	This Outlet commenced operations in September 2023. This Outlet operates in an Operating

	Territory consisting of a Base Territory plus 1 Territory plus an additional 2 single family dwellings, representing a total population of approximately 200,002 single family dwellings. This Outlet operates no service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an Operational Franchise Outlet for the 2024 Calendar Year.
Outlet 7	This Outlet commenced operations in September 2023. This Outlet operates in an Operating Territory consisting of two Base Territories plus 7 Territories, representing a total population of approximately 900,000 single family dwellings. This Outlet operates 1 service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an Operational Franchise Outlet for the 2024 Calendar Year.
Outlet 8	This Outlet commenced operations in October 2023. This Outlet operates in an Operating Territory consisting of a Base Territory plus 4 Territories, representing a total population of approximately 500,000 single family dwellings. This Outlet operates 1 service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an Operational Franchise Outlet for the 2024 Calendar Year.
Outlet 9	This Outlet commenced operations in October 2023. This Outlet operates in an Operating Territory consisting of a Base Territory plus 3 Territories, representing a total population of approximately 400,000 single family dwellings. This Outlet operates 1 service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an Operational Franchise Outlet for the 2024 Calendar Year.
Outlet 10	This Outlet commenced operations in December 2023. This Outlet operates in an Operating Territory consisting of a Base Territory, representing a total population of approximately 100,000 single family dwellings. This Outlet operates 1 service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an Operational Franchise Outlet for the 2024 Calendar Year.
Outlet 11	This Outlet commenced operations in October 2023. This Outlet operates in an Operating Territory consisting of a Base Territory plus 2 Territories, representing a total population of approximately 300,000 single family dwellings. This Outlet operates 1 service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an Operational Franchise Outlet for the 2024 Calendar Year.
Outlet 12	This Outlet commenced operations in November 2023. This Outlet operates in an Operating Territory consisting of a Base Territory plus 2 Territories plus an additional 24,782 single family dwellings, representing a total population of approximately 324,782 single family dwellings. This Outlet operates 1 service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an Operational Franchise Outlet for the 2024 Calendar Year.
Outlet 13	This Outlet commenced operations in November 2023. This Outlet operates in an Operating Territory consisting of a Base Territory plus 2 Territories, representing a total population of approximately 300,000 single family dwellings. This Outlet operates 1 service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an Operational Franchise Outlet for the 2024 Calendar Year.
Outlet 14	This Outlet commenced operations in December 2023. This Outlet operates in an Operating Territory consisting of a Base Territory plus 2 Territories, representing a total population of approximately 300,000 single family dwellings. This Outlet operates 1 service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an Operational Franchise Outlet for the 2024 Calendar Year.
Outlet 15	This Outlet commenced operations in December 2023. This Outlet operates in an Operating Territory consisting of a Base Territory plus 3 Territories, representing a total population of approximately 400,000 single family dwellings. This Outlet operates 1 service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an Operational Franchise Outlet for the 2024 Calendar Year.
Outlet 16	This Outlet commenced operations in October 2023. This Outlet operates in an Operating Territory consisting of a Base Territory plus 3 Territories, representing a total population of approximately 400,000 single family dwellings. This Outlet operates 1 service vehicle within the Operating Territory. This Outlet is representative of the Franchised Business and constitutes an

Table 3

Operational Franchise Outlets Gross Sales: Calendar Year 2024	
Outlet Name	2024 Gross Sales
Outlet 1	\$298,228
Outlet 2	\$ 98,191
Outlet 3	\$ 97,195
Outlet 4	\$397,857
Outlet 5	\$336,626
Outlet 6	\$79,972
Outlet 7	\$206,931
Outlet 8	\$140,294
Outlet 9	\$312,729
Outlet 10	\$187,730
Outlet 11	\$ 77,026
Outlet 12	\$252,208
Outlet 13	\$118,081
Outlet 14	\$169,071
Outlet 15	\$ 82,177
Outlet 16	\$233,744
<u>Notes to Table:</u> We did not have any Operational Franchise Outlets during the 2021, 2022 and 2023 Calendar Years. As such, we do not report data during these Calendar Years.	

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Table 4

System-Wide Operational Franchise Outlets Gross Sales by Quartiles for the 2024 Calendar Year <sup>1</sup>					
Quartile	Average	Number and Percentage of Outlets Above Average	Median	High	Low
1 <sup>st</sup> Quartile <sup>2</sup>	\$336,360	2 / 4 (50%)	\$305,479	\$397,857	\$298,228
2 <sup>nd</sup> Quartile <sup>3</sup>	\$220,152	2 / 4 (50%)	\$220,338	\$252,208	\$187,730
3 <sup>rd</sup> Quartile <sup>4</sup>	\$131,409	2 / 4 (50%)	\$129,188	\$169,071	\$ 98,191
4 <sup>th</sup> Quartile <sup>5</sup>	\$ 84,093	1 / 4 (25%)	\$ 81,075	\$ 97,195	\$ 77,026
<b>Total</b> <sup>6</sup>	\$193,004	7 / 16 (44%)	\$178,401	\$397,857	\$ 77,026
<p><u>Notes to Table:</u></p> <p><sup>1</sup> For the 2024 Calendar Year the data compiled in this table is based on 16 Operational Franchise Outlets.</p> <p><sup>2</sup> 1<sup>st</sup> Quartile includes data from the following Operational Franchise Outlets: Outlet 1, Outlet 4, Outlet 5, and Outlet 9 with Outlet 4 representing the High and Outlet 1 representing the Low. For a description of all Operational Franchise Outlets see Table 2 above.</p> <p><sup>3</sup> 2<sup>nd</sup> Quartile includes data from the following Operational Franchise Outlets: Outlet 7, Outlet 10, Outlet 12, and Outlet 16 with Outlet 12 representing the High and Outlet 10 representing the Low. For a description of all Operational Franchise Outlets see Table 2 above.</p> <p><sup>4</sup> 3<sup>rd</sup> Quartile includes data from the following Operational Franchise Outlets: Outlet 2, Outlet 8, Outlet 13, and Outlet 14 with Outlet 14 representing the High and Outlet 2 representing the Low. For a description of all Operational Franchise Outlets see Table 2 above.</p> <p><sup>5</sup> 4<sup>th</sup> Quartile includes data from the following Operational Franchise Outlets: Outlet 3, Outlet 6, Outlet 11, and Outlet 15 with Outlet 3 representing the High and Outlet 11 representing the Low. For a description of all Operational Franchise Outlets see Table 2 above.</p> <p><sup>6</sup> The total represents the cumulative total of all four quartiles.</p>					

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

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Other than the preceding financial performance representation, Lifetime Green Coatings, LLC does 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 the franchisor's management by contacting William Isenhardt, Lifetime Green Coatings LLC at 12415 Old Meridian Street, Carmel, Indiana 46032 and 877-660-4376, 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**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	35	+35
	2024	35	38	+3
Company Owned	2022	2	1	-1
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	2	1	-1
	2023	1	36	+35
	2024	36	39	+3

**TABLE NO. 2**  
**TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS**  
**(OTHER THAN THE FRANCHISOR)**  
**FOR YEARS 2022 to 2024**

State	Year	Number of Transfers
None	2022	0
	2023	0
	2024	4*

\* One transfer resulted from merger of two existing Outlets into one Outlet where franchisee did not leave the system.

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