

## ITEM 18. PUBLIC FIGURES

We currently do not use any public figures 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.

The following tables present unaudited information about the revenues, certain expenses and Contribution Margin (Gross Margin less Advertising & Marketing expense) of certain Zerorez franchise operations from each participating franchisee's operations for the year 2024 (the "**Operational Period**"). The numbers in Tables 1 below include all franchisees with at least one year of operating history and that operated during the Operational Period. The numbers presented in Table 2 represent the average percentage of total Gross Revenues received by month to show the seasonality of the business. Your actual percentage of revenues received in any given month may vary based on location and individual territory dynamics.

**TABLE 1**

### **Franchises with at least one year of operating history and that operated during the Operational Period**

We have 57 total franchisees, 44 of which are included in Table 1. The information included in Table 1 does not include information from 13 of the franchises because such franchisees had less than one year operating history, did not properly report to us, and/or did not operate during the Operational Period. Data from all 44 franchisees that meet the criteria are included in Table 1. 14 of the 44 (or 32%) franchisees represented in Table 1 actually attained or surpassed the average Gross Revenues results. 22 of the 44 (or 50%) franchisees represented in Table 1 actually attained or surpassed the median Gross Revenue results. **All median, high and low numbers presented are for the franchise with the median, high or low gross revenues, respectively, and not the median, high or low of all franchises for each expense or earnings category.**

Average Revenue and Contribution Margin for the Fiscal Year					
	<u>Average % of Gross Revenues<sup>2</sup></u>	Average	Median	High	Low
Gross Revenues <sup>1</sup>	100	1,513,566	877,874	13,602,937	3,132

Average Revenue and Contribution Margin for the Fiscal Year					
	<u>Average % of Gross Revenues<sup>2</sup></u>	Average	Median	High	Low
Costs of Goods Sold <sup>3</sup>	41.1	621,909	279,502	5,683,372	1,801
Gross Profit <sup>4</sup>	58.9	891,657	598,372	7,919,565	1,331
Advertising & Marketing <sup>5</sup>	18.4	278,089	254,270	2,030,805	4,807
Contribution Margin	40.5	613,568	344,102	5,888,760	(3,476)

Average Gross Revenues per Mobile Unit per Month: 16,920

Average Number of Mobile Units in January 2024: 7

Average Number of Mobile Units in December 2024: 8

Percentage Change in Number of Mobile Units in 2023: 14%

**TABLE 2**

**Average Percentage of Total Gross Revenue by Month (Seasonality)**

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
6.0%	6.4%	7.7%	8.2%	9.3%	9.0%	9.2%	9.4%	8.3%	9.5%	9.5%	7.4%

**Item 19 Notes**

- (1) **Gross Revenues.** As used herein “**Gross Revenues**” means that aggregate amount of all sales of Zerorez products and Services made and rendered in connection with the operation of a Zerorez franchise, excluding all federal, state or municipal sales or use taxes collected from customers and paid to the appropriate taxing authority.
- (2) **Percentage of Gross Revenues.** This column lists the percent of Gross Revenues that each category represents.
- (3) **Costs of Goods Sold.** Costs of Goods Sold include the actual price paid for products, chemicals and all items used in a Zerorez franchise operation. Costs of Goods Sold also include customer refunds, cash discounts, charges for damaged products and other waste, as well as drop charges, packaging and shipping charges, certain supplies and other goods. Also not reflected in either Costs of Goods Sold or General Administrative Expenses below is compensation paid in cash distributions taken by the owner(s) of each Zerorez franchise.
- (4) **Gross Profit.** This is Gross Revenues minus Costs of Goods Sold as such terms are defined and described herein.

- (5) **Advertising and Marketing Expenses.** These include all costs of marketing and advertising in a Zerorez franchise, such as national brand fund fees, radio, print, television ad other advertising media as well as fliers, point of sale advertising, etc.
- (6) **Contribution Margin.** This means Gross Profit less Advertising & Marketing expenses.

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 the franchisor's management by contacting Cameron Moon at 772 E Utah Valley Dr #120, American Fork, Utah 84003 or by phone at (801) 899-5116, the Federal Trade Commission, and the appropriate state regulatory agencies.

Written substantiation for the financial performance representation will be made available to you upon reasonable request.

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

## ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

**TABLE 1: SYSTEM-WIDE OUTLET SUMMARY FOR (FISCAL) 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	64	53	-11
	2023	53	55	+2
	2024	55	57	+2
Company Owned	2022	6	21	+15
	2023	21	20	-1
	2024	20	22	+2
Total Outlets	2022	70	74	+4
	2023	74	75	+1
	2024	75	79	+4