

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 figures in the Tables 1A-1D below summarize the 2024 financial performances of various SpeedPro Studio franchisees in the System and does not include company or affiliate-owned outlets since there are no affiliate-owned outlets. Specifically, the tables include, for the SpeedPro Studios that met our Reporting Criteria (as defined below), the Average and Median Gross Sales, Average and Median Cost of Goods Sold, Average and Median Gross Profit, Average and Median Gross Margin, Average and Median Expense line items, Average and Median Net Operating Income, Average and Median Add Backs and Average and Median Owner Discretionary Profit for the period between January 1, 2024 and December 31, 2024 (the "Reporting Period"), and the number of SpeedPro Studios that attained or surpassed the average figures for their respective categories and tiers. You should carefully review the explanatory notes below.

TABLES 1A-1D

BASED ON 93 STUDIOS' 2024 PROFIT AND LOSS STATEMENTS

The following expenses represent the major expense items for a SpeedPro Studio and should not be considered the only expenses that a SpeedPro Studio will incur:

TABLE 1A - 1st Quartile Studios¹

¹ The information in this table is based on data from 24 Studios that represent, in terms of level of ODP/EBITDA for the Reporting Period, the 1st Quartile of the 93 reporting Studios that met the Table 1 Reporting Criteria. The range of Gross Sales is \$4,322,851 to \$945,444.

Category	Average	% of Sales	# of Studios at or above average	Median
Gross Sales	\$1,698,097	100.0%	7[29%]	\$1,443,470
Expenses				
Cost of Goods Sold	\$460,125	27.1%	7[29%]	\$347,243
Labor Costs (including Owner Payroll)*	\$571,680	33.7%	8[33%]	\$501,679
Facility Lease (Rent)	\$70,758	4.2%	10[42%]	\$63,352
Advertising & Marketing*	\$39,156	2.3%	8[33%]	\$29,939

Auto	\$17,332	1.0%	9[38%]	\$14,897
General & Administrative*	\$255,909	15.1%	8[33%]	\$226,925
Total Expenses	\$1,414,959	83.3%	9[38%]	\$1,159,983
Other Revenue*	\$4,283	0.3%	5[21%]	\$0
EBITDA**	\$287,421	16.9%	9[38%]	\$252,176
Add back: Owner Payroll	\$158,164	9.3%	11[46%]	\$153,232
Owners Discretionary Profit (ODP)	\$445,585	26.2%	10[42%]	\$395,902

TABLE 1B – 2nd Quartile Studios¹

¹ The information in this table is based on data from 23 Studios that represent, in terms of level of ODP/EBITDA for the Reporting Period, the 2nd Quartile of the 93 reporting Studios that met the Table 1 Reporting Criteria. The range of Gross Sales is \$1,505,958 to \$550,305.

Category	Average	% of Sales	# of Studios at or above average	Median
Gross Sales	\$972,669	100.0%	10[43%]	\$896,610
Expenses				
Cost of Goods Sold	\$270,395	27.8%	9[39%]	\$228,182
Labor Costs (including Owner Payroll)*	\$352,365	36.2%	9[39%]	\$332,993
Facility Lease (Rent)	\$59,606	6.1%	9[39%]	\$52,339
Advertising & Marketing*	\$22,606	2.3%	10[43%]	\$19,577
Auto	\$9,046	0.9%	8[35%]	\$8,126
General & Administrative*	\$154,156	15.8%	13[57%]	\$158,025
Total Expenses	\$868,174	89.3%	10[43%]	\$802,633
Other Revenue*	\$2,232	0.2%	4[17%]	\$0
EBITDA**	\$106,728	11.0%	9[39%]	\$100,827
Add back: Owner Payroll	\$96,549	9.9%	12[52%]	\$99,199
Owners Discretionary Profit (ODP)	\$203,277	20.9%	9[39%]	\$199,707

TABLE 1C – 3rd Quartile Studios¹

¹ The information in this table is based on data from 23 Studios that represent, in terms of level of ODP/EBITDA for the Reporting Period, the 3rd Quartile of the 93 reporting Studios that met the Table 1 Reporting Criteria. The range of Gross Sales is \$3,213,698 to \$265,096.

Category	Average	% of Sales	# of Studios at or above average	Median
Gross Sales	\$860,014	100.0%	9[39%]	\$753,370
Expenses				
Cost of Goods Sold	\$241,832	28.1%	9[39%]	\$234,759
Labor Costs (including Owner Payroll)*	\$328,584	38.2%	10[43%]	\$232,741
Facility Lease (Rent)	\$71,324	8.3%	8[35%]	\$54,187
Advertising & Marketing*	\$24,035	2.8%	10[43%]	\$20,655
Auto	\$9,973	1.2%	8[35%]	\$5,938
General & Administrative*	\$157,986	18.4%	7[30%]	\$139,051
Total Expenses	\$833,734	96.9%	9[39%]	\$737,780
Other Revenue*	\$288	0.0%	4[17%]	\$0
EBITDA**	\$26,568	3.1%	11[48%]	\$25,062
Add back: Owner Payroll	\$81,700	9.5%	8[35%]	\$72,240
Owners Discretionary Profit (ODP)	\$108,268	12.6%	12[52%]	\$111,660

TABLE 1D – 4th Quartile Studios¹

¹ The information in this table is based on data from 23 Studios that represent, in terms of level of ODP/EBITDA for the Reporting Period, the 4th Quartile of the 93 reporting Studios that met the Table 1 Reporting Criteria. The range of Gross Sales is \$991,188 to \$173,896.

Category	Average	% of Sales	# of Studios at or above average	Median
Gross Sales	\$508,010	100.0%	10[43%]	\$407,837
Expenses				

Cost of Goods Sold	\$147,815	29.1%	9[39%]	\$104,591
Labor Costs (including Owner Payroll)*	\$191,970	37.8%	7[30%]	\$161,750
Facility Lease (Rent)	\$53,785	10.6%	8[35%]	\$48,339
Advertising & Marketing*	\$16,997	3.3%	11[48%]	\$14,890
Auto	\$5,501	1.1%	7[30%]	\$3,859
General & Administrative*	\$112,670	22.2%	12[52%]	\$118,139
Total Expenses	\$528,738	104.1%	9[39%]	\$446,153
Other Revenue*	\$1,346	0.3%	2[9%]	\$0
EBITDA**	-\$19,382	-3.8%	14[61%]	-\$14,630
Add back: Owner Payroll	\$35,095	6.9%	9[39%]	\$31,200
Owners Discretionary Profit (ODP)	\$15,713	3.1%	14[61%]	\$21,844

Notes to Tables 1A-1D Above:

1. “Number of Studios at or above Average” identifies the number of reporting Studios that achieved or exceeded the applicable Average figure reported in Tables 1A-1D.
2. As of December 31, 2024, SP Franchising LLC had 121 Studios operating in the System. Of those 121 Studios operating, 93 Studios met all of the following criteria (“**Reporting Criteria**”): each Studio (a) operated and offered products and services throughout the entire Reporting Period; (b) was operated by the same franchisee entity owner(s) during the entire Reporting Period; and (c) provided to us their 2024 fiscal year unaudited financial statements. All Studios that satisfied the applicable Reporting Criteria are included in these tables. Of the 28 Studios not included in these tables, 7 were new studios not open the entire Reporting Period, 8 were transfers and 13 did not provide financial statements as required by our Reporting Criteria.
3. For Tables 1A-1D, the Studios that met the Reporting Criteria are divided into quartiles (1st Quartile, 2nd Quartile, 3rd Quartile, and 4th Quartile) based on the ODP achieved by the Studio during the Reporting Period, with “1st Quartile” being the top 25% of the Studios that met the Reporting Criteria that achieved the highest ODP and “4th Quartile” being the bottom 25% of the Studios that met the Reporting Criteria and achieved the lowest ODP during the Reporting Period.
4. “**Gross Sales**” means the entire amount of the sale price, whether for cash or credit (and regardless of collection in the case of credit), of all sales of products and services and all other receipts or receivables whatsoever of all business conducted at, in, upon or from the Studio, or revenues from any source arising out of the operation of the Studio and includes but is not limited to the selling price of gift certificates, scrip, coupons, services, property or other means of exchange and insurance proceeds for loss of profit or business or for damage to goods, but does not include (a) the amount of any sales tax or similar tax imposed by any federal, state, municipal or other government authority that the franchisee collects from clients and properly remits to the taxing authority; (b) all returns, refunds and allowances if any; (c) that part of the sales price satisfied by a deposit or gift certificate but only if the amount of the deposit or gift certificate has previously been included in the computation of Gross Sales.

5. “**Total Expenses**” is a sum of all of the expense categories for a Studio as identified in Tables 1A-1D:

- a. Cost of Goods Sold includes all materials required to produce the products offered by the Studio including ink, laminate, media, and hardware, all purchases for resale, and shipping and packing costs. Costs of Goods Sold does not include facility rent, utilities, labor, outsourced labor, insurance, automobile-related costs, and advertising and promotional expenditures.
- b. Labor costs include employee payroll, owner payroll, payroll taxes, employee benefits, and outsourced labor costs including vehicle installation services and outsourced graphic design work. Within this context, the extent to which the Studios disclosed above utilized outsourced labor for vehicle installation services, outsourced graphic design work, and other services may vary considerably throughout the System.
- c. Advertising and Marketing includes the marketing fund fee.
- d. General and Administrative includes bad debt and write offs, bank charges and credit cards fees, business licenses, fees and files, charitable contributions, communication, dues and subscriptions, equipment lease payments, insurance, meals and entertainment, misc. overhead, office supplies, postage and courier, professional fees, repairs – buildings, repairs – equipment, SpeedPro royalties, taxes, tools and misc. production supplies, travel, uncategorized, and utilities.

6. “**Other Revenue**” includes grant income, sale of fixed assets, credit card fee income, interest income, dividend income and miscellaneous income.

7. “**Add Backs**” equal Owner’s Payroll

8. “**EBITDA**” equals earnings before interest, taxes (income taxes), depreciation and amortization.

9. “**Owners Discretionary Profit (ODP)**” equals EBITDA plus its Add Backs.

TABLE 2
SYSTEM WIDE GROSS SALES IN 2023 AND 2024

Table 2 presented below contains certain information related to total Gross Sales realized by all of our franchisees for the period beginning January 1, 2023, and ending December 31, 2023, and for the period beginning January 1, 2024, and ending December 31, 2024. The information and figures regarding Gross Sales presented in Table 2 below are based upon information reported to us by all SpeedPro franchisees whose Studios had been open for any period of time during the period beginning January 1, 2023, and ending December 31, 2023, and for the period beginning January 1, 2024, and ending December 31, 2024. During such periods, all units offered the same or similar services. Please review the explanatory notes below.

2023 System Wide Gross Sales	\$104,124,284
2024 System Wide Gross Sales	\$108,976,773
Year over Year Growth in System Wide Gross Sales	4.7%

Notes to Table 2 above:

1. The term Gross Sales has the same definition in this Table 2 as that provided in the Notes to Tables 1A-1D.

TABLE 3
SAME STORES SALES FOR SUBSET OF STUDIOS IN 2023 AND 2024

The figures in Table 3 below summarize the 2023 and 2024 Average and Median Gross Sales of a subset of Studios in the System that satisfied our Table 3 Reporting Criteria (See note 1 below) during the period between January 1, 2023 and December 31, 2023 and during the period of January 1, 2024 and December 31, 2024 (the “Table 3 Reporting Period”). Please review the explanatory notes below.

2024	
2024 Average Gross Sales (97 Studios)	\$930,983
Number (and percentage) of Studios at or above Average	41 [42%]
2024 Median Gross Sales	\$867,573
2024 Lowest and Highest Actual Gross Sales	\$138,600 - \$3,596,718
2023	
2023 Average Gross Sales (97 Studios)	\$892,603
Number (and Percentage) of Studios at or above Average	44 [45%]
2023 Median Gross Sales	\$800,257
2023 Lowest and Highest Actual Gross Sales	\$97,324 - \$3,748,250

Notes to Table 3 above:

1. As of December 31, 2024, we had 121 Studios operating, of which 97 Studios met all of the following reporting criteria (“Table 3 Reporting Criteria”): each Studio (a) operated throughout the entire Table 3 Reporting Period; (b) was operated by the same franchisee entity owner(s) during the entire Table 3 Reporting Period; and (c) submitted the required Gross Sales reports to us. All Studios that satisfied the Table 3 Reporting Criteria in 2024 are included in this table. Of the 24 Studios not included in Table 3, seven were excluded for failure to operate for the full Reporting Period and 17 were excluded because they were not operated by the same franchisee entity owners during the entire Table 3 Reporting Period.

2. The term Gross Sales has the same definition in this Table 3 as that provided in the Notes to Tables 1A-1D.

TABLE 4
AVERAGE AND MEDIAN CUSTOMER VALUE

The figures below in Table 4 include 114 Studios that satisfied our Table 4 Reporting Criteria (See note 1 below). During the period between January 1, 2024, and December 31, 2024 (“Table 4 Reporting Period”). Specifically, the figures in these tables provide the average and median customer invoice, average and median number of invoices per customer and the average and median customer value during the Table 4 Reporting Period.

	Average	Number of Studios that Met or Exceed the Average	Median	Number of Studios that Meet or Exceed the Median
Customer Value for Table 4 Reporting Period	\$4,547	40 [35.1%]	\$3,540	57

Notes to Table 4 above.

1. As of December 31, 2024, we had 121 Studios operating in the System, of which 114 met all of the following criteria ("Table 4 Reporting Criteria"): they were operated throughout the entire Table 4 Reporting Period. All Studios that satisfied the Table 4 Reporting Criteria are included in this Table. All 7 studios not included in Table 4 were excluded for failure to operate for the entire Table 4 Reporting Period.

2. In calculating the average and median customer value for the Reporting Period, the lowest customer value was \$1,394 and the highest customer value was \$24,415.

The following applies to all of the above tables:

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

We have written substantiation in our possession to support the information appearing in Tables 1A-1D, 2, 3, and 4 within this ITEM 19. Such written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request. Franchisees or former franchisees listed in this Franchise Disclosure Document may also be a source of information.

Other than the preceding financial performance representation, SP Franchising 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 Paul Brewster or Lori Morris, 7000 S. Yosemite Street, Suite 100, Centennial, CO 80112, (844) 274-4784, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

**Table One: 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	121	122	1
	2023	122	118	-4