

Provision	Section in Franchise Agreement or Other Agreement	Summary
s. Modification of the agreement	Sections 2.3, 7.3 & 21.11 of Franchise Agreement	Franchise Agreement: No modifications of Franchise Agreement during term generally, but Operating Manual subject to change. Modifications permitted on renewal.
t. Integration/merger clause	Section 21.5 of Franchise Agreement	Only the terms of the franchise agreement are binding (subject to state law). Any representations or promises outside of the disclosure document, franchise agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 20 of Franchise Agreement	Except for certain claims, all disputes must first be submitted to non-binding mediation, and if unsuccessful, then arbitrated in Virginia, subject to state law
v. Choice of forum	Sections 20.1 & 21.1	Mediation and arbitration must be in Virginia, subject to state law
w. Choice of law	Sections 20.1 & 21.1 of Franchise Agreement	Virginia law applies, subject to state law.

ITEM 18 PUBLIC FIGURES

We do not currently 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 licensed, 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.

Unless otherwise explained below, these financial performance representations disclose historical information for the affiliate-owned CANOPY outlet that was open for at least twelve months and that operated for the full duration of the reporting period of January 1, 2024 to December 31, 2024 (“Reporting Period”). These financial performance representations are for the outlet owned and operated by our affiliate in Raleigh, NC (“Reporting Unit”), which opened in 2016. The Reporting Unit operates in four territories and reports its data in the aggregate for all of its territories. As a result, for purposes of this Item 19, the data for the Reporting Unit is presented as the same outlet. The outlet also conducted a remote operation in one territory in Charlotte, NC, but the results, revenues, and costs associated with this territory have been excluded since they do not reflect operations of a typical franchise operating in a single contiguous geographic area. As of September 30, 2024, we had franchisees operating in 37 territories. Each of those territories opened and commenced operations in the 2024 fiscal year, and therefore they are excluded from this Item 19.

The Reporting Unit included in this financial performance representation offers services that you will not be authorized to offer under the terms of your Franchise Agreement. However, we have excluded data from those other services from this financial performance representation. The data included below is only for the core service and enhancement services that you will also be authorized to offer. The turf care services offered by the Reporting Unit is substantially similar to the CANOPY Franchised Businesses for which we are offering franchises in this disclosure document. The Reporting Unit is not limited by territorial

boundaries, and its core business is represented by customer activity concentrated within zip codes that, when aggregated, represent four territories.

A. Revenue per account January 1, 2024 through December 31, 2024

The following table sets forth the average, account revenue for all accounts and for residential and commercial accounts serviced by the Reporting Unit during the Reporting Period.

Description	All Customers	Residential Customers	Commercial Customers
Total number of Accounts	1,006	834	172
Total Revenue per Category	\$963,529	\$603,242	\$360,287

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B. Revenue less disclosed costs for January 1, 2024 through December 31, 2024

The following table presents revenues and certain operating expense information for the Reporting Unit for the reporting period January 1, 2024 through December 31, 2024. The table presents the dollar amount for each category and the various categories as a percent of Revenues.

Revenues and Disclosed Costs	2024	% of Revenue
Revenue	1	\$ 963,529 100.0%
Cost of Materials	2	\$ 245,493 25.5%
Cost of Labor	3	\$ 182,960 19.0%
Gross Profit		\$ 535,076 55.5%
Advertising & Marketing	4	\$ 75,686 7.9%
Vehicle fuel & tolls expense		\$ 26,418 2.7%
Vehicle repairs & maintenance expense	5	\$ 3,621 0.4%
Vehicle lease expenses	6	\$ 49,590 5.1%
Equipment Expenses	7	\$ 7,725 0.8%
Insurance	8	\$ 14,421 1.5%
Mobile phones and Internet	9	\$ 4,505 0.5%
Merchant Services	10	\$ 13,352 1.4%
Software licenses	11	\$ 1,860 0.2%
Professional fees	12	\$ 6,700 0.7%
Uniforms and operating supplies	13	\$ 2,835 0.3%
		0.0%
Royalty	14	\$ 77,082 8.0%
Technology Fee	15	\$ 19,271 2.0%
Brand fund contribution	16	\$ 9,635 1.0%
Total Disclosed Expenses		\$ 312,700 32.5%
Revenue less Disclosed Expenses		\$ 222,375 23.1%

- (1) Revenue includes all Gross Revenues net of refunds to customers.
- (2) Cost of Materials includes lawn care products, such as fertilizer, herbicides, pesticides, grass seed, soil, etc.
- (3) Cost of Labor includes wages and payroll taxes for lawn care technicians.
- (4) Franchisees must spend the greater of \$30,000 for the first Territory plus an additional \$10,000 for each additional contiguous Territory, or 10% of the prior year's Gross Revenues. The 1% Brand Fund Contribution counts towards Minimum Local Advertising Spend. Therefore, Franchisees should expect to invest the greater of \$30,000 or 9% of the prior year's gross revenues for local marketing, plus 1% of the current year's Gross Revenues for Brand Fund

- Contributions. The \$75,686 in the above chart represents 9% of the \$840,960 in revenue generated by the Reporting Unit during the calendar year 2023.
- (5) Vehicle repairs and maintenance expenses include vehicle registration and repairs and maintenance expenses.
 - (6) Vehicle lease expenses include the cost of monthly vehicle lease payments.
 - (7) Equipment expenses include equipment rental, replacement, repairs and maintenance.
 - (8) Insurance expenses include commercial policy, workers compensation and auto policies.
 - (9) Mobile phones and internet expenses include cell phones and other mobile devices and internet services.
 - (10) Merchant Service costs for the Reporting Unit were \$13,352 during the Reporting Period. Franchisees may experience merchant service costs as high as 2.5% of gross revenue depending on merchant rates and how many customers choose to pay through merchant services.
 - (11) Software licenses include telephony (voice-over-IP subscription), telephone call tracking software and accounting.
 - (12) Professional fees include monthly bookkeeping fees and annual tax preparation services.
 - (13) Uniforms and operating supplies include technician uniforms and other miscellaneous operating expenses.
 - (14) Royalty includes a royalty fee equal to 8% of Gross Revenues that the Reporting Unit would have paid.
 - (15) Technology Fee equal to 2%, covers the proprietary technology systems to efficiently gain customers and communicate with customers, deliver work, and receive payments. This system includes: website hosting and local presence optimization, automated lawn measurement using artificial intelligence, dynamic pricing table, automated quote generation and distribution to prospects, automated sales follow-ups to prospects, SMS messaging, online sales and payment collection, scheduling tool, automated invoicing and payment collection, telephony integration, lead tracking, marketing integrations and email accounts.
 - (16) Brand fund contribution includes a charge of 1% of Gross Revenues for national brand marketing and advertising activities per the franchise agreement.

Certain expenses have been excluded that a franchise operator may incur. Excluded expenses include facility rent and utilities, cost of a full-time manager, and employee benefits.

C. Recurring Revenue Percent, Sales Conversion Rate and Customer Retention Rate for January 1, 2024 through December 31, 2024

Metric	Measure
Recurring Revenue Percent	69.0%
Sales Conversion Rate	32.9%
Customer Retention Rate	83.8%

Recurring Revenue is calculated by measuring the dollars of revenues earned from recurring revenue contracts (monthly or quarterly or annual renewal contracts) earned over the reporting period (\$664,598) divided by the total net revenue earned over the reporting period (\$963,529).

Sales conversion rate is calculated by dividing the number of new customers signing a new service contract (210) divided by the total number of prospective customers that received a quote for services (638) during the reporting period. Canopy's automated proposal system generates a proposal for all prospects who complete a webform on the company's website. All website leads receive a proposal, as do all qualified leads via phone and email.

The Customer retention rate is calculated by dividing the number of customers signing a renewal contract (330) during the reporting period (January 1, 2024 – December 31, 2024) that also had a contract during the twelve months preceding the reporting period (January 1, 2023 – December 31, 2023) by the total number of customers that had contracts in the twelve months preceding the reporting period (394).

E. Average Annual Revenue per vehicle, average annual accounts served per vehicle, average annual service visits per vehicle and average annual square feet serviced per vehicle for January 1, 2024 to December 31, 2024.

The table below shows total Gross Revenue, total customers serviced, total service visits completed, and total square feet of turf serviced and the total number of service vehicles used during the Reporting Period for both residential and commercial customers. Based on the three service vehicles that operated full time throughout the reporting period and one vehicle that operated an estimated 50% of the time during the Reporting Period we calculated the average annual revenue per service vehicle, average annual customers per service vehicle, average annual service visits completed per service vehicle and the average annual square feet serviced per service vehicle. The total annual square feet serviced is the sum of the square feet of all client properties as measured by the technicians and recorded in the CRM.

Description	Metric - Total	Metric - Residential	Metric - Commercial
Total Gross Revenue	\$963,529	\$603,242	\$360,287
Total customers serviced	1,006	834	172
Total service visits completed	6,219	5,749	470
Total square feet serviced	14,258,070	4,840,132	9,417,938
Total service vehicles in service	3.5	2.0	1.5

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

The information presented above relates to the actual historical performance of the presented outlets.

We will, upon reasonable request, provide to you written substantiation for the information provided in this Item 19.

Other than the preceding financial performance representations, 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 our Chief Executive Officer, 2426 Old Brick Road, Suite 101, Glen Allen, Virginia 23060, (800) 722-4668, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
SYSTEMWIDE 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	0	0	0
	2023	0	0	0
	2024	0	37	+37
Company-Owned(1)	2022	4	4	0
	2023	4	4	0
	2024	4	5	+1
Total Outlets	2022	4	4	0
	2023	4	4	0
	2024	4	42	+38

Notes:

Although CanopyNC operated one company owned outlet, the operation was not limited by the territorial boundaries applicable to CANOPY® franchisees. However, its core business is represented by customer activity concentrated within zip codes that, when aggregated, represent four territories.

Table No.2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR FISCAL YEARS 2022 TO 2024

State	Year	Number of Transfers
Total	2022	0
	2023	0
	2024	0

Table No. 3
FRANCHISED OUTLETS STATUS SUMMARY
FOR FISCAL YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – other reasons	Outlets at End of Year
Florida	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	4	0	0	0	0	4
Kansas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	2	0	0	0	0	2
Kentucky	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	7	0	0	0	0	7