

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Sections 23.2, 23.3 and 23.4	With the exception of actions for provisional relief, to collect fees due under the Franchise Agreement, to seek an injunction, to protect our intellectual property, to terminate the Franchise Agreement for default, and to enforce post-term obligations, we, you, and the Owners must arbitrate all disputes in Columbia, Maryland. All of these provisions are subject to state law in your state.
v. Choice of forum	Section 23.6	Subject to the arbitration requirement, you and the Owners must file any suit against us in federal court in the district where our headquarters is located at the time the suit is filed (currently Columbia, Maryland). We can sue you in federal or state court in the district where our headquarters is located at the time the suit is filed or where the Franchised Business is located. You and we both waive the right to trial by jury and the right to seek punitive damages. All of these provisions are subject to state law in your state.
w. Choice of law	Section 23.1	Maryland law applies (subject to state law).

ITEM 18 **PUBLIC FIGURES**

We do not use any public figures to promote the sale of 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 tables below contain historical results for the calendar year 2025 and prior years of operations of THE JUNKLUGGERS Company-Owned Outlets (for purposes of Table 1) and Franchised Businesses, as reported to us by our franchisees. The explanatory notes following the tables are an important part of the information presented. The financial information in this Item from the period prior to December 30, 2022, was collected by our predecessors. As of December 31, 2025, there were 70 franchisees (representing 163 Territories) and 4 Company-Owned Outlets in operation (the “**Company-Owned Outlets**”).

TABLE 1
SYSTEMWIDE SALES

Table 1 sets forth the aggregate Gross Revenue (“**Systemwide Sales**”) reported to us and our predecessor from all franchisees and Company-Owned Outlets whose businesses were operational for any part of the year. See Note 1 to this table for the definition of “**Gross Revenue**.”

Year	2022	2023	2024	2025
All Franchised Businesses	\$47,945,060	\$50,077,114	\$51,352,754	\$47,686,253
All Company-Owned Outlets	\$11,486,794	\$12,646,972	\$13,252,005	\$13,594,321
Total Systemwide Sales	\$59,431,854	\$62,724,086	\$64,604,760	\$61,280,573
Year-over-Year Growth	N/A	6%	3%	-5%
Franchise Territory Count	122	143	173	170
Company-Owned Territory Count	4	4	4	4
Total Systemwide Territory Count	126	147	177	174

Note to Table 1:

- (1) The term “**Gross Revenue**” is generally defined in the applicable forms of franchise agreement as 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. Further, 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 us) 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 is not reduced on account of any fees or commissions you pay to third parties who refer customers. The Gross Revenue data for a franchisee may include sales in “open” Territory, that is, territory that had not been awarded to a franchisee.

TABLE 2
FRANCHISEE AVERAGE JOB SIZE
(For the Fiscal Year 2025) ⁽¹⁾

Table 3 below presents information on 156 Territories operated by 63 franchisees that were in operation for any part of the 2025 fiscal year. See Note 1 to Table 1 for the definition of “Gross Revenue.”

	Number of Franchisees in Group	Number of Territories in Group	Average Job Size per Franchisee in Group	Median Average Job Size per Franchisee in Group	Highest Average Job Size per Franchisee in Group	Lowest Average Job Size per Franchisee in Group	Number of Franchisees Achieving or Exceeding Group Average	Percent of Franchisees Achieving or Exceeding Group Average
Top Third	21	52	\$757	\$703	\$880	\$640	5	24%
Middle Third	21	59	\$577	\$590	\$639	\$529	13	62%
Bottom Third	21	45	\$461	\$475	\$528	\$341	12	57%
TOTALS	63	156	\$615	\$590	\$880	\$341	30	48%

Notes to Table 2:

- (1) Table 3 reports the Average Job Size for 63 franchisees that operated in Territories that were in operation for any part of the 2025 fiscal year.
- (2) Some franchisees may have added Territories to and/or removed Territories from their existing operation during the 2025 fiscal year and those Territories have been included in this Table.
- (3) The “**Average Job Size**” was calculated by adding together the Gross Revenue of all jobs performed by franchisees in Territories that were operational for any part of the 2025 fiscal year and dividing the sum by the total number of jobs performed during the 2025 fiscal year.

TABLE 3
GROSS REVENUE
(For the Fiscal Year Ended December 31, 2025)

Tables 3-A, 3-B, and 3-C below present information on 63 franchisees (representing 128 Territories that were in operation for the entire 2025 fiscal year. Excluded from these Tables are 20 Territories that were opened during the 2025 fiscal year by 13 existing franchisees; 7 franchisees (representing 7 Territories) that began operations during the 2025 fiscal year; and 5 franchisees (representing 7 Territories) that ceased operations during the 2025 fiscal year (all of which operated for more than twelve (12) months prior to ceasing operations). See Note 1 to Table 1 for the definition of “Gross Revenue.”

TABLE 3-A
GROSS REVENUE PER TERRITORY, BY QUARTILE ⁽¹⁾
(For the Fiscal Year Ended December 31, 2025)

	Number of Franchisees in Group	Number of Territories in Group	Average Gross Revenue Per Franchisee in Group ⁽¹⁾	Median Gross Revenue of Franchisees in Group ⁽²⁾	Highest Gross Revenue of Franchisees in Group	Lowest Gross Revenue of Franchisees in Group	Number of Franchisees Achieving or Exceeding Group Average	Percent of Franchisees Achieving or Exceeding Group Average
Top 25%	28	32	\$771,450	\$663,312	\$1,615,711	\$419,981	13	41%
2 nd Quartile	22	32	\$305,501	\$295,305	\$413,167	\$231,539	12	38%
3 rd Quartile	9	32	\$179,131	\$178,745	\$223,390	\$134,170	15	47%
Bottom 25%	4	32	\$86,933	\$91,103	\$129,309	\$18,264	19	59%
TOTALS	63	128	\$335,754	\$227,465	\$1,615,711	\$18,264	42	33%

Notes to Table 3-A:

- (1) The Table reports on 63 franchisees ranked in order of highest Average Gross Revenue per Territory to lowest Average Gross Revenue per Territory.

TABLE 3-B
GROSS REVENUE PER FRANCHISEE, BY QUARTILE ⁽¹⁾
(For the Fiscal Year Ended December 31, 2025)

	Number of Franchisees in Group	Number of Territories in Group	Average Gross Revenue Per Franchisee in Group ⁽¹⁾	Median Gross Revenue of Franchisees in Group ⁽²⁾	Highest Gross Revenue of Franchisees in Group	Lowest Gross Revenue of Franchisees in Group	Number of Franchisees Achieving or Exceeding Group Average	Percent of Franchisees Achieving or Exceeding Group Average
Top 25%	16	45	\$1,254,732	\$949,465	\$3,748,774	\$473,627	6	38%
2 nd Quartile	16	33	\$668,844	\$631,210	\$1,269,430	\$342,188	5	31%
3 rd Quartile	15	30	\$728,928	\$688,426	\$1,313,788	\$324,176	7	47%
Bottom 25%	16	20	\$280,680	\$298,432	\$493,826	\$108,849	8	50%
TOTALS	63	128	\$733,365	\$609,012	\$3,748,774	\$108,849	22	35%

Notes to Table 3-B:

- (1) The Table reports on 63 franchisees ranked in order of highest Average Gross Revenue per franchisee to lowest Average Gross Revenue per franchisee.
- (2) 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.
- (3) The medians reported in the Table are per franchisee, not per Territory.

TABLE 3-C
FRANCHISEE COMMERCIAL REVENUE PERCENTAGE OF GROSS REVENUE ⁽¹⁾
(For the Fiscal Year Ended December 31, 2025)

Average Franchisee Commercial Percentage ⁽²⁾	Median Franchisee Commercial Percentage	Highest Franchisee Commercial Percentage	Lowest Franchisee Commercial Percentage	Number of Franchisees Achieving or Exceeding Group Average	Percent of Franchisees Achieving or Exceeding Group Average
33%	33%	77%	10%	31	49%

Notes to Table 3-C:

- (1) The Table reports the average percentage of Gross Revenue for the 63 Franchisees in Table 4-B that was attributable to “**Commercial Revenue**,” defined as the Gross Revenue derived from commercial (i.e., non-residential) jobs in the 2025 fiscal year.
- (2) The Average Commercial Revenue is calculated by adding each franchisee’s Commercial Percentage and dividing it by 63. “**Commercial Percentage**” is defined as the percent of Gross Revenue attributable to commercial jobs, as reported by each franchisee by Territory.

TABLE 3-D
FRANCHISEE COMMERCIAL REVENUE
AVERAGE COMMERCIAL REVENUE PER JOB ⁽¹⁾
(For the Fiscal Year Ended December 31, 2025)

Average Franchisee Commercial Job Size	Median Franchisee Commercial Job Size	Highest Franchisee Average Commercial Job Size	Lowest Franchisee Average Commercial Job Size	# of Franchisees Achieving or Exceeding Group Average	Percent of Franchisees Achieving or Exceeding Group Average
\$738	\$713	\$1,296	\$259	28	44%

Notes to Table 3-D:

- (1) The Table reports the Average Commercial Revenue Per Commercial Job for the 63 Franchisees in Table 4-B in the 2025 fiscal year.
- (2) The Average Commercial Revenue Per Commercial Job is calculated by (i) adding each franchisee’s Commercial Revenue and dividing it by the total number of commercial jobs performed by the franchisee (“**Commercial Revenue Per Commercial Job**”), then (ii) adding each franchisee’s Commercial Revenue Per Commercial Job and dividing by 63. The Average Franchisee Commercial Job Size is calculated by averaging the 63 Franchisee’s Average Commercial Job Size.

TABLE 4
GROSS REVENUE AND TOTAL OPERATING EXPENSE RATIOS
(For the Fiscal Year Ended December 31, 2025)

The table below reports the Gross Revenue and certain Operating Expenses based on the averages for 43 franchisees (representing 112 Territories) that reported Gross Revenue during the entire 2025 fiscal year. Excluded from this Table 4 are 11 franchisees (representing 12 Territories) that opened during the 2025 fiscal year, 5 franchisees (representing 7 Territories) that ceased operations during the 2025 fiscal year, and 20 franchisees (representing 38 Territories) that were in operation for the entire 2025 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. The information included in this Table is reported to us in a separate manner through QuickBooks, rather than the prior Tables which report on information reported to us through the operational software, Vonigo. See Note 1 to Table 1 for the definition of “Gross Revenue.”

Quartile (by Revenue)	Quartile 1	Quartile 2	Quartile 3	Quartile 4	Totals
<i>Number of Franchisees</i>	11	11	10	11	43
<i>Number of Territories</i>	32	27	21	32	112
Average Gross Revenue Per Franchisee in Group	\$1,471,945	\$678,787	\$479,722	\$310,679	\$741,226
Average Cost of Goods Sold Per Franchisee in Group	\$832,091	\$380,860	\$304,365	\$199,079	\$432,000
Average Gross Profit Per Franchisee in Group	\$639,853	\$297,927	\$175,356	\$111,599	\$309,226
Average Gross Margin Per Franchisee in Group	43%	44%	37%	36%	42%
Highest Gross Profit Margin of Franchisees in Group	59%	52%	54%	52%	59%
Lowest Gross Profit Margin of Franchisees in Group	16%	31%	29%	12%	12%
Median Gross Profit Margin of Franchisees in Group	46%	46%	32%	37%	43%
Number of Franchisees that Exceeded Average Gross Profit Margin in Group	6	7	3	6	23
Percent of Franchisees that Exceeded Average Gross Profit Margin in Group	55%	64%	30%	55%	53%
Highest Gross Revenue of Franchisees in Group	\$3,756,902	\$757,087	\$554,483	\$383,584	\$3,756,902
Lowest Revenue of Franchisees in Group	\$814,283	\$598,249	\$407,253	\$156,628	\$156,628
Median Revenue of Franchisees in Group	\$1,269,466	\$687,236	\$477,745	\$330,412	\$598,249
Number of Franchisees that Exceeded Average Revenue in Group	3	6	5	8	13
Percent of Franchisees that Exceeded Average Revenue in Group	27%	55%	50%	73%	30%

Notes to Table 4:

- (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 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 Total Operating Expenses”*** is defined as the sum of certain expenses defined below (***“Total Operating Expenses”***) for each franchisee in the quartile and then divided the total number of franchisees in the respective quartile. Total 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 “Total 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.

* * *

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

Other than the data for the Company-Owned Outlets, the financial information we utilized in preparing the preceding financial performance representations was based on information reported to us by franchisees.

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

Other than the preceding financial performance representations, Junkluggers Franchising SPE LLC does not make any representation about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. 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 Junkluggers 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 2023 to 2025⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	115	134	+19
	2024	134	145	+11
	2025	145	163	+18
Company-Owned	2023	4	4	0
	2024	4	4	0
	2025	4	4	0
TOTALS	2023	119	138	+19
	2024	138	149	+11
	2025	149	167	+18

Notes to all Item 20 Tables:

- (1) Our fiscal year ends December 31.
- (2) The figures are for the number of territories in operation at year-end. It is not uncommon for franchisees to own more than one Territory. Each franchise Territory has a separate Franchise Agreement.
- (3) As of December 31, 2025, there were 70 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.

TABLE 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023 to 2025⁽¹⁾

State	Year	Number of Transfers
Arizona	2023	4
	2024	0
	2025	0
California	2023	1
	2024	0
	2025	2