

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) Administrative Management – means the amount paid to salaried employees who perform administrative functions for an Outlet. Administrative Management does not include Direct Labor Cost or compensation paid to owners.
- (b) Approved Services and Products – means the products and services that are sold by an Outlet, including without limitation Reconstruction Services and all other products and services.
- (c) Average – means the sum of all data points in a set, divided by the number of data points in that set.
- (d) Calendar Year – means, as to each respective year, the 12-month period commencing on January 1 and ending on December 31.
- (e) 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.
- (f) Direct Gross Profit – means Gross Sales less Direct Labor Cost, Supplies and Consumables, and Subcontract Labor. Direct Gross Profit is not net profit or income and, except as to Direct Labor Cost, Supplies and Consumables, and Subcontract Labor, does not include the deduction of all other expenses incurred by an All Dry Business including, but not limited to, managerial labor and expenses, administrative labor and expenses, marketing expenses, insurance expenses, operating expenses, general expenses including, but not limited to interest, taxes, depreciation, amortization, and Franchise Related Expenses.
- (g) Direct Labor Cost – means the direct non-owner labor expenses incurred in the operations of the Outlet and for employees that directly perform or provide services resulting in Gross Sales and includes wages, payroll taxes, workers' compensation, and paid employee benefits, if any. Direct Labor Cost does not include compensation related to administrative labor or management labor.
- (h) Disclosed Expenses – means the following select expenses: service vehicle cost, rent, insurance, marketing, management labor, fuel, vehicle insurance, and utilities.
- (i) Franchise Outlet – refers to an All Dry Business operated under a Franchise Agreement that is not a Company Owned Outlet.

- (j) Franchise Related Expenses – means the following select fees currently required under the Franchise Agreements: Royalty Fees, Brand Fund Contributions, Technology Fees, CRM Software Fees, and local marketing. Franchise Related Expenses do not include all fee and payment obligations required under a Franchise Agreement.
- (k) Gross Sales – means the total revenue derived by each All Dry Business less sales tax, discounts, allowances, and returns.
- (l) 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.
- (m) New Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2024, as to the 2024 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet and not as an Operational Company Owned Outlet, see definition below. If this Company Owned Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2025 Calendar Year.
- (n) 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 2024, as to the 2024 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 2025 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2025 Calendar Year.
- (o) Operational Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that was open and in operation on or prior to the commencement of the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2024, as to the 2024 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet, see definition above, and not as an Operational Company Owned Outlet. If this Company Owned Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2025 Calendar Year.
- (p) Operational Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation prior to the commencement of the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2024, as to the 2024 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 2025 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2025 Calendar Year.
- (q) Outlet – refers to an All Dry Business that is either a Company Owned Outlet or a Franchise Outlet, as the context requires.
- (r) Quartile – refers to the relative performance of the operational Outlets, a Company Owned Outlet or

Franchise Outlet, as the context requires. The “1st Quartile” refers to the top 25% performing operational Outlets based on Gross Sales, the “2nd Quartile” refers to the next highest 25% performing operational Outlets based on Gross Sales, and so on.

- (s) Supplies and Consumables – refers to containment, floor protection, PPE, tape, filters and other consumable materials used in providing remediation work to customers.
- (t) Subcontract Labor – refers to amounts paid for temporary contract labor and other home service vendors used by an Outlet to provide Approved Services and Products, as well as mold testing.

BASES AND ASSUMPTIONS

The financial information was not prepared on a basis consistent with generally accepted accounting principles. Data for our Company Owned Outlet is based on information reported to us by our affiliate. Data for the Operational Franchise Outlets is based on financial information reported to us by our franchisees. The information in this analysis has not been audited, is based on historical financial data, and is not a forecast or projection of future financial performance.

ANALYSIS OF RESULTS OF COMPANY OWNED OUTLET

During the 2025 Calendar Year we had one Operational Company Owned Outlet, located in Jupiter, Florida. Below we provide a summary of our Company Owned Outlet. In Table 1 below, we disclose financial information for our Operational Company Owned Outlet for the 2025 Calendar Year.

Company Owned Outlet Summary	
Outlet	Outlet Description
Jupiter, Florida	Our Jupiter, Florida Outlet commenced operations in 2014. This Outlet operates in an Operating Territory with a population of approximately 641,000, which is the equivalent of 2 Territories, plus an additional 141,000 people. This Outlet operates with 6 service vehicles and 3 business development vehicles. This Outlet is representative of the Franchised Business and constitutes an Operational Company Owned Outlet for the 2025 Calendar Year.

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 Outlet as a result of our extensively experienced management team; (b) brand recognition within the local market in which our Company Owned Outlet operates; and (c) no obligation to pay ongoing fees that a franchisee will pay to us, such as Royalty Fees and Brand Development Fund Fees.

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Table 1

Company Owned Outlet: Jupiter, Florida Gross Sales and Disclosed Expenses Information 2025 Calendar Year		
	2025 Calendar Year	
	Total	% ¹
Total Gross Sales	\$2,419,116.42	100.0%
Less:		
Direct Labor Cost	(\$674,563.60)	27.88%
Supplies and Consumables	(\$147,676.94)	6.1%
Subcontract Labor	(\$45,251.25)	1.9%
Direct Gross Profit	\$1,551,624.63	64.1%
Less: Disclosed Expenses		
Service Vehicle Cost ²	(\$35,034.65)	1.4%
Rent	(\$18,000.00)	0.7%
Insurance	(\$23,064.00)	0.9%
Marketing	(\$115,400.00)	4.8%
Administrative Labor	(\$260,000.00)	10.8%
Fuel	(\$15,252.10)	0.6%
Vehicle Insurance	(\$47,100.25)	1.9%
Utilities	(\$5,243.62)	0.2%
Direct Gross Profit Less Disclosed Expenses	\$1,032,530.01	42.7%
Less: Adjustments for Select Franchise Related Expenses		
Royalty Fee ³	(\$169,338.15)	7.0%
Brand Fund Contributions ⁴	(\$24,191.16)	1.0%
Technology Fee ⁵	(\$3,000.00)	0.1%
CRM Software Fee ⁶	(\$4,800.00)	0.2%
Local Marketing ⁷	(\$1,364.66)	0.1%
Direct Gross Profit Less Disclosed Expenses and Select Franchise Related Expenses	\$829,836.04	34.3%
Notes to Table: ¹ “%” represents the percentage of total Gross Sales. ² Service Vehicle Cost means the cost incurred by an Outlet for finance or lease installment payments, if any, for the service vehicles used by the Outlet in providing services. Service Vehicle Cost includes tolls and service vehicle maintenance expenses. Service Vehicle Cost does not include depreciation, fuel or insurance. ³ The Royalty Fee is equal to 7% of Gross Sales, subject to a minimum weekly Royalty Fee of \$125 per Territory, beginning in the 13 th month of operation. Notwithstanding the foregoing, the Royalty Fee for Reconstruction Services is 2% of Gross Sales. ⁴ The Brand Fund Contribution is 1% of Gross Sales. ⁵ The Technology Fee is currently \$250 per month, but may increase to cover any actual costs that we incur related to technology. ⁶ The CRM Software Fee is currently \$400 per month. ⁷ On an on-going monthly basis, you must spend not less than 4% of your Gross Sales on the local marketing of your All Dry Business.		

ANALYSIS OF RESULTS OF OPERATIONAL FRANCHISE OUTLETS

During the 2025 Calendar Year we had a total of 103 Franchise Outlets. In this Item 19, we report financial data for 76 of our Operational Franchise Outlets, all of which were open during the entire 2025 Calendar

Year. We do not disclose data for our 1 New Franchise Outlet during the 2025 Calendar Year, because it was not open during the entire 2025 Calendar Year. We do not disclose data for 16 Franchise Outlets that closed during the 2025 Calendar Year, and therefore did not operate during the entire 2025 Calendar Year. We do not report data for 5 Franchise Outlets that were temporarily closed for varying periods during the 2025 Calendar Year, and therefore did not operate during the entire 2025 Calendar Year. During the 2025 Calendar Year, 6 of our Outlets were acquired by other franchisees and were absorbed (or merged) into those franchisees' existing operations. Data for each Outlet that merged into another existing Outlet is reported as part of that existing Outlet's data. Of the 16 Franchise Outlets that closed during the 2025 Calendar Year, 16 were open for less than 12 months.

The Gross Sales data reported below, and upon which this Item 19 is based, is derived from information reported to us by our franchisees and may include Gross Sales generated outside of those franchisees' Territories. Gross Sales may include amounts collected by Franchisees as deposits prior to the performance of services.

Table 2

All Operational Franchise Outlets Average, Median, High, and Low Gross Sales by Quartiles for the 2025 Calendar Year ¹					
Calendar Year	Average	Number of Outlets Above/Below Average	Median	High	Low
1 st Quartile	\$1,116,016.74	Above: 4(21.05%) Below: 15 (78.95%)	\$820,738.76	\$5,983,524.96 ²	\$646,363.70 ²
2 nd Quartile	\$526,157.41	Above: 11(57.89%) Below: 8 (42.11%)	\$551,130.62	\$581,784.38 ³	\$432,382.88 ³
3 rd Quartile	\$350,298.54	Above: 10(52.63%) Below: 9 (47.37%)	\$377,291.98	\$429,129.29 ⁴	\$254,552.90 ⁴
4 th Quartile	\$159,783.16	Above: 9 (47.37%) Below: 10 (52.63%)	\$148,620.70	\$227,701.53 ⁵	\$42,705.91 ⁵

Notes to Table:

¹ The data in this table represents data for 76 Operational Franchise Outlets during the 2025 Calendar Year that operated in areas comprised of between 1 Territories and 17 Territories.

² The High Gross Sales data for the 1st Quartile is for an Operational Franchise Outlet that operates in an area comprised of 17 Territory and the Low Gross Sales data reported in this table for the 1st Quartile is for an Operational Franchise Outlet that operates in an area comprised 4 Territories.

³ The High Gross Sales data for the 2nd Quartile is for an Operational Franchise Outlet that operates in an area comprised of 7 Territories and the Low Gross Sales data reported in this table for the 2nd Quartile is for an Operational Franchise Outlet that operates in an area comprised 8 Territories.

⁴ The High Gross Sales data for the 3rd Quartile is for an Operational Franchise Outlet that operates in an area comprised of 6 Territories and the Low Gross Sales data reported in this table for the 3rd Quartile is for an Operational Franchise Outlet that operates in an area comprised 3 Territories.

⁵ The High Gross Sales data for the 4th Quartile is for an Operational Franchise Outlet that operates in an area comprised of 4 Territories and the Low Gross Sales data reported in this table for the 4th Quartile is for an Operational Franchise Outlet that operates in an area comprised 2 Territories.

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Table 3

Operational Franchise Outlets One Territory Average, Median, High, and Low Gross Sales for the 2025 Calendar Year ¹					
Calendar Year	Average	Number of Outlets Above/Below Average	Median	High	Low
2025	\$358,074.77	Above: 3 (43%) Below: 4 (57%)	\$275,654.64	\$811,675.68	\$115,508.26
Notes to Table: ¹ The data in this table represents data for 7 Operational Franchise Outlets that operated within one Territory during the 2025 Calendar Year.					

Table 4

Operational Franchise Outlets One to Three Territories Average, Median, High, and Low Gross Sales for the 2025 Calendar Year ¹					
Calendar Year	Average	Number of Outlets Above/Below Average	Median	High²	Low³
2025	\$440,226.46	Above: 13 (40%) Below: 20 (60%)	\$401,447.20	\$1,435,363.20	\$42,705.91
Notes to Table: ¹ The data in this table represents data for our 33 Operational Franchise Outlets that operated within an area comprised of one Territory, two Territories or Three Territories during the 2025 Calendar Year. ² Represents the data of an Operational Franchise Outlet that operates in an area comprised of 3 Territories. ³ Represents the data of an Operational Franchise Outlet that operates in an area comprised of 2 Territories.					

Table 5

Operational Franchise Outlets Four to Seven Territories Average, Median, High, and Low Gross Sales, Project, and Hour Data for 2025 Calendar Years¹					
Calendar Year	Average	Number of Outlets Above/Below Average	Median	High²	Low³
2025	\$487,391.52	Above: 12 (40%) Below: 18 (60%)	\$441,607.08	\$1,020,588.70	\$91,232.66
Notes to Table: ¹ The data in this table represents data for our 29 Operational Franchise Outlets that operated within an area comprised of four Territories, five Territories, six Territories or seven Territories during the 2025 Calendar Year. ² Represents the data of an Operational Franchise Outlet that operates in an area comprised of 6 Territories. ³ Represents the data of an Operational Franchise Outlet that operates in an area comprised of 6 Territories.					

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Table 6

Operational Franchise Outlets Eight or More Territories Average, Median, High, and Low Gross Sales for the 2025 Calendar Year ¹					
Calendar Year	Average	Number of Outlets Above/Below Average	Median	High²	Low³
2025	\$1,035,119.47	Above: 2 (15%) Below: 11 (85%)	\$575,889.48	\$5,983,524.96	\$174,307.90
Notes to Table: ¹ The data in this table represents data for our 14 Operational Franchise Outlets that operated within an area comprised of eight or more Territories during the 2025 Calendar Year. ² Represents the data of an Operational Franchise Outlet that operates in an area comprised of 17 Territories. ³ Represents the data of an Operational Franchise Outlet that operates in an area comprised of 12 Territories.					

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 representations, AD2019 Franchise, LLC does not make any representations 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 Jason Molzer at 582 US Hwy 1 N, Tequesta FL 33469 and (561) 800-4902.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
Systemwide Outlet Summary
For Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	118	116	-2
	2024	116	102	-14
	2025	102	81	-21
Company Owned	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
Total Outlets	2023	119	117	-2
	2024	117	103	-14
	2025	103	82	-21

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

State	Year	Number of Transfers
AL	2023	0
	2024	0
	2025	1
AZ	2023	0
	2024	0
	2025	1
CA	2023	0
	2024	0
	2025	2
CT	2023	1
	2024	0
	2025	0
GA	2023	0
	2024	0
	2025	1

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