

	Provision	Section in Development Agreement	Summary
v.	Choice of forum	16	All claims not subject to mediation must be brought before a court of general jurisdiction in Charlotte, North Carolina, or the United States District Court presiding over Charlotte, North Carolina. You consent to the personal jurisdiction and venue of these courts (subject to state law).
w.	Choice of law	12	The Development Agreement is governed by the laws of the State of North Carolina (subject to state law).

## **ITEM 18**

### **PUBLIC FIGURES**

We do not use any public figures to promote our franchise.

## **ITEM 19**

### **FINANCIAL PERFORMANCE REPRESENTATION**

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.

This Item sets forth certain historical financial performance information for 2 laundromat businesses operated by 2 of our affiliates that are substantially similar to the type of business for which we offer franchises in this disclosure document and 3 franchisee-owned LaundroLab businesses.

#### **Affiliated Businesses**

Both affiliated businesses operate in North Carolina. The newer Business, which opened in approximately December 2021, operates under the “LAUNDROLAB” Mark. The older Business, which opened in approximately July 2018, operates under the trademark “THE LAUNDRY ROOM.” Both Businesses offer the same products and services to be offered by franchised LAUNDROLAB Businesses, are the same size as the franchised LAUNDROLAB Businesses we expect to grant, and operate in the same manner we expect franchised LAUNDROLAB Businesses to operate. There are no material differences between these 2 affiliated Businesses and the franchised LAUNDROLAB Businesses we grant.

The information presented in this Item 19 for our affiliate businesses consists of full profit and loss statements (through EBITDA, which is defined below) for (1) the affiliated Business operated under the LAUNDRY ROOM trademark during each of its full calendar years of operation from 2019 through 2023; and (2) the affiliated Business operated under the LAUNDROLAB Mark during its full calendar years of operation during 2022 and 2023.

However, these full profit and loss statements do not include any revenues or related expenses on account of the affiliated Businesses' servicing of Delivery Accounts. Financial performance information for each Business's servicing of Delivery Accounts is presented in separate charts. We separate this information because some franchisee-owned locations will not be permitted or capable of servicing Delivery Accounts.

While the affiliated Businesses did not pay Royalties, Brand Fund contributions, or Technology Investment Contributions during the measured operating periods, this Item 19 imputes those charges to the Businesses (except for Royalties during their first partial year of operation because franchised Businesses generally need not begin paying Royalties until 6 months after they open).

**Financial Performance of First Affiliate-Owned Unit (The Laundry Room)—No Service of Delivery Accounts**

	Jan. 2019– Dec. 2019 (12 months)	Jan. 2020– Dec. 2020 (12 months)	Jan. 2021– Dec. 2021 (12 months)	Jan. 2022– Dec. 2022 (12 months)	Jan. 2023 – Dec. 2023 (12 months)
<b>Revenue (\$)</b>					
Arcade Games <sup>1</sup>	21,323	21,219	20,206	20,216	23,828
ATM <sup>2</sup>	1,695	3,232	3,872	5,000	3,727
Discounts <sup>3</sup>	(849)	(2,907)	(3,213)	(7,439)	(4,961)
POS Sales <sup>4</sup>	28,020	7,566	4,887	4,510	9,645
Vending Machine Revenue <sup>5</sup>	21,838	42,502	55,788	58,646	44,670
Wash/Dry/Fold <sup>6</sup>	18,120	19,050	43,867	39,813	39,408
Washer/Dryer/LaundryPay Revenue <sup>7</sup>	454,821	535,054	641,213	723,949	752,341
<b>Total Revenue (\$)</b>	<b>544,967</b>	<b>625,717</b>	<b>766,619</b>	<b>844,695</b>	<b>868,659</b>
<b>Expenses (\$)</b>					
Advertising & Marketing <sup>8</sup>	6,031	2,406	2,880	2,056	1,240
Bank Charges & Fees <sup>9</sup>	696	1,065	1,082	1,327	928
Business Personal Property Tax <sup>10</sup>	9,963	8,102	8,331	8,331	6,469
Insurance <sup>11</sup>	11,933	14,983	7,652	16,144	16,106

	Jan. 2019– Dec. 2019 (12 months)	Jan. 2020– Dec. 2020 (12 months)	Jan. 2021– Dec. 2021 (12 months)	Jan. 2022– Dec. 2022 (12 months)	Jan. 2023 – Dec. 2023 (12 months)
Internet & Telephone Expense <sup>12</sup>	1,075	1,500	1,602	1,600	1,594
Janitorial Services <sup>13</sup>	11,756	5,404	5,888	5,351	6,843
Laundry Equipment Repairs & Maintenance <sup>14</sup>	1,552	5,873	8,001	13,280	21,367
Legal & Professional Services <sup>15</sup>	5,960	4,580	6,000	4,345	3,112
Merchant Account Fees <sup>16</sup>	2,650	3,944	6,279	8,446	9,712
Misc. <sup>17</sup>	893	1,268	1,630	4,791	6,460
Office Supplies, Expense, & Software <sup>18</sup>	4,877	15,523	5,377	5,778	8,300
Other Repairs & Maintenance <sup>19</sup>	1,643	3,516	7,662	16,678	24,780
Payroll Expenses <sup>20</sup>	96,248	\$98,073	116,816	162,735	194,209
Rent & TICAM Expense <sup>21</sup>	107,628	107,909	110,170	113,762	116,196
Security Expense <sup>22</sup>	2,225	522	3,334	8,960	1,336
Supplies Expense (COGS) <sup>23</sup>	19,943	20,069	24,270	25,354	20,102
Utilities <sup>24</sup>	64,730	75,756	113,397	132,210	132,151
Royalty Fee <sup>25</sup>	31,317	36,076	44,552	49,169	50,466
Brand Fund Contribution <sup>26</sup>	5,219	6,013	7,425	8,195	8,411
Technology Investment <sup>27</sup>	3,600	3,600	3,600	3,600	3,600
<b>Total Expenses (\$)</b>	<b>389,940</b>	<b>416,181</b>	<b>485,948</b>	<b>592,109</b>	<b>633,383</b>
<b>EBITDA (\$)<sup>28</sup></b>	<b>155,028</b>	<b>209,536</b>	<b>280,671</b>	<b>252,586</b>	<b>235,276</b>

**Financial Performance of First Affiliate-Owned Unit (The Laundry Room)—  
Service of Delivery Accounts Only**

	Jan. 2022-Dec. 2022 (12 months)	Jan. 2023-Dec. 2023 (12 months)
<b>Delivery Account Payments (\$)</b>	577,201	642,251
<b>Expenses (\$)</b>		
Laundry Supplies	28,989	37,415

	<b>Jan. 2022-Dec. 2022 (12 months)</b>	<b>Jan. 2023-Dec. 2023 (12 months)</b>
Payroll Expenses	379,715	466,964
Utilities	20,246	23,321
Royalty	34,632	38,535
Brand Fund Contribution	5,772	6,423
<b>Total Expenses (\$)</b>	<b>469,354</b>	<b>572,657</b>
<b>EBITDA (\$)</b>	<b>107,847</b>	<b>69,594</b>

**Financial Performance of Second Affiliate-Owned Unit (LaundroLab (Eastland))—No  
Service of Delivery Accounts**

	<b>Jan. 2022-Dec. 2022 (12 months)</b>	<b>Jan. 2023-Dec. 2023 (12 months)</b>
<b>Revenue (\$)</b>		
Arcade Games <sup>1</sup>	13,820	16,394
ATM <sup>2</sup>	1,114	2,061
Discounts <sup>3</sup>	(16,362)	(8,679)
POS Sales <sup>4</sup>	3,823	3,464
Vending Machine Revenue <sup>5</sup>	24,971	32,903
Wash/Dry/Fold <sup>6</sup>	12,688	22,658
Washer/Dryer/LaundryPay Revenue <sup>7</sup>	330,379	444,026
<b>Total Revenue (\$)</b>	<b>370,433</b>	<b>512,827</b>
<b>Expenses (\$)</b>		
Advertising & Marketing <sup>8</sup>	20,000	12,582
Bank Charges & Fees <sup>9</sup>	312	305
Business Personal Property Tax <sup>10</sup>	8,400	8,400
Insurance <sup>11</sup>	6,817	6,644
Internet & Telephone Expense <sup>12</sup>	1,190	1,709
Janitorial Services <sup>13</sup>	4,307	1,940

	<b>Jan. 2022-Dec. 2022 (12 months)</b>	<b>Jan. 2023-Dec. 2023 (12 months)</b>
Laundry Equipment Repairs & Maintenance <sup>14</sup>	1,108	4,462
Legal & Professional Services <sup>15</sup>	4,081	3,832
Merchant Account Fees <sup>16</sup>	3,725	6,721
Misc. <sup>17</sup>	4,410	3,867
Office Supplies, Expense, & Software <sup>18</sup>	9,543	2,974
Other Repairs & Maintenance <sup>19</sup>	4,185	16,653
Payroll Expenses <sup>20</sup>	95,042	101,024
Rent & TICAM Expense <sup>21</sup>	92,867	89,351
Security Expense <sup>22</sup>	2,222	1,596
Supplies Expense (COGS) <sup>23</sup>	11,542	22,388
Utilities <sup>24</sup>	42,128	53,527
Royalty Fee <sup>25</sup>	14,125	29,662
Brand Fund Contribution <sup>26</sup>	3,555	4,944
Technology Investment <sup>27</sup>	3,600	3,600
<b>Total Expenses (\$)</b>	<b>333,159</b>	<b>376,179</b>
<b>EBITDA (\$)<sup>28</sup></b>	<b>37,273</b>	<b>136,648</b>

**Financial Performance of Second Affiliate-Owned Unit (LaundroLab (Eastland))—  
Service of Delivery Accounts Only**

	<b>Jan. 2022-Dec. 2022 (12 months)</b>	<b>Jan. 2023-Dec. 2023 (12 months)</b>
<b>Delivery Account Payments (\$)</b>	177,717	256,579
<b>Expenses (\$)</b>		
Laundry Supplies	15,141	20,456
Payroll Expenses	116,598	174,310

	<b>Jan. 2022-Dec. 2022 (12 months)</b>	<b>Jan. 2023-Dec. 2023 (12 months)</b>
Utilities	7,367	9,446
Royalty	7,905	15,395
Brand Fund Contribution	1,777	2,566
<b>Total Expenses (\$)</b>	<b>148,789</b>	<b>222,173</b>
<b>EBITDA (\$)</b>	<b>28,929</b>	<b>34,406</b>

### Explanatory Notes to Tables Above

1. Arcade Game revenue means revenue generated from in-store coin-operated amusement games. Arcade Games were temporarily suspended in April 2020 and May 2020 due to the COVID-19 pandemic. Revenue from Arcade Games at the Business premises is not counted as Revenue for the purposes of calculating royalties. Therefore, franchisees need not pay royalties or Brand Fund contributions on revenue from Arcade Games.

2. ATM means the revenue received from the use of ATM machines at the Business premises. Revenue from the use of ATM machines at the Business premises is not counted within Gross Sales. Therefore, franchisees need not pay royalties or Brand Fund contributions on revenue from the use of ATM machines.

3. Discounts means the discounts provided to customers on washer and dryer runs.

4. POS Sales means revenue generated from over-the-counter sales of retail items, including clothes hangers and laundry bags.

5. Vending Machine Revenue means revenue generated from retail items sold in vending machines, including drinks, snacks, detergents, softeners, and other miscellaneous laundry supplies.

6. Wash/Dry/Fold revenue means revenue generated from drop-off wash, dry, and fold services. Wash/Dry/Fold services were temporarily suspended in April 2020 and May 2020 due to the COVID-19 pandemic.

7. Washer/Dryer/LaundryPay revenue includes all self-service revenue generated from the use of the washers and dryers at the Business premises.

8. Advertising & Marketing means expenses for local, digital, and traditional advertising and marketing.

9. Bank Charges & Fees means any business-related bank charges and fees.

10. Business personal property tax is taxes paid on the value of Business-owned property.

11. Insurance is insurance-related expenses such as workers' compensation and general liability.

12. Internet & Telephone Expense means expenses incurred to maintain on-site high-speed internet and phone services.

13. Janitorial Services includes expenses incurred for janitorial services and in purchasing cleaning supplies.

14. Laundry equipment repairs & maintenance includes expenses incurred for repairs and maintenance performed on specific equipment, such as changers, washing machines, dryers, and carts.
15. Legal & Professional Services means expenses incurred for legal and/or bookkeeping services.
16. Merchant Account Fees means expenses incurred for third-party credit-card processing services.
17. Miscellaneous expenses include recruiting expense, uniforms, website hosting expense, contractors, meals and entertainment, customer reimbursement, fines and penalties, and pest control.
18. Office Supplies, Expense, & Software includes expenses incurred from purchasing generic office supplies (pens, paper, laminating pouches, etc.), personal protective equipment, office furniture, and software pertaining to in-store television signage.
19. Other repairs & maintenance include expenses incurred from repairs and maintenance performed on non-laundry equipment, such as arcade games, HVAC, and plumbing.
20. Payroll Expenses means expenses incurred for payroll taxes and fees and wages paid to employees.
21. Rent & TICAM Expense means amounts paid to the landlord, including rent, taxes, insurance, and common area maintenance fees.
22. Security Expense means expenses incurred for security services, including monthly monitoring and security sensors.
23. Supplies Expense (COGS), or cost of goods sold, means expenses incurred to purchase all supplies, including vending machine supplies, POS supplies, and laundry supplies.
24. Utilities means expenses incurred for utilities, including charges for electrical and water services.
25. Royalty Fee is imputed based on the Royalty Fee (6%) currently set forth in this disclosure document (6% of Gross Revenues). However, the imputed Royalty Fee is excluded from the operating results of (a) one affiliated Business during the first 6 months it operated after opening in 2018 and (b) a second affiliated Business during the first one month it operated after opening in 2021 (because franchised Businesses generally need not begin paying Royalties until 6 months after they open). The Royalty Fee is imputed for each such Business's succeeding full years of operations (2019 through 2023 for the first affiliated Business and 2023 for the second affiliated Business).
26. Brand Fund Contribution is imputed based on the Brand Fund contribution currently set forth in this disclosure document (1% of Gross Revenues).
27. Technology Investment is imputed based on the Technology Investment Contribution currently set forth in this disclosure document (\$300 per month).
28. "EBITDA" means earnings before interest, taxes, depreciation and amortization. The figures in the charts exclude all owner compensation/salary.
29. Gross Revenues are defined in the Franchise Agreement to include all revenues generated from all business conducted at or from the Business, including amounts received from laundry services (including providing services to Delivery Accounts), products, merchandise, and tangible property of any nature whatsoever, whether in cash or for credit, and whether collected or uncollected. Gross Revenues, however, do not include the amount of any applicable sales tax imposed by any federal, state, municipal or other governmental authority if such taxes are stated separately when the customer is charged. Also excluded from Gross Revenues are the amounts derived from the

operation of approved, lawful arcade games and ATM machines within the premises and amounts of any documented refunds, chargebacks, credits, and allowances given to customers in good faith.

#### Franchisee Owned Businesses

As of December 31, 2023, there were 3 franchisee-owned LaundroLab businesses that had been operating under the LaundroLab name for at least 12 full calendar months. The information presented in this Item 19 for our franchisee-owned LaundroLab businesses consists of the size of each location and the total revenue realized by each franchisee-owned LaundroLab business for the 2023 calendar year.

#### **Financial Performance of Franchisee-Owned LaundroLab Businesses**

<b>LaundroLab Waters Armenia 8432 N. Armenia Avenue, Tampa, FL 33604</b>	
Open Date	6/25/22
Square Footage	3,332
<b>Revenue</b>	<b>2023</b>
Delivery Account Revenue	\$71,215
Walk-in Revenue	\$412,969
<b>Total Income</b>	<b>\$484,183</b>
<b>LaundroLab Rivers &amp; Remount 5605 Rivers Avenue B, North Charleston, SC 29406</b>	
Open Date	12/3/22
Square Footage	4,130
<b>Revenue</b>	<b>2023</b>
<b>Total Income</b>	<b>\$490,057</b>
<b>LaundroLab East Town Market 3118 Milton Road, Suite E, Charlotte, NC 28215</b>	
Open Date	12/31/22
Square Footage	3,250
<b>Revenue</b>	<b>2023</b>
Delivery Account Revenue	\$28,048
Walk-in Revenue	\$258,514
<b>Total Income</b>	<b>\$286,562</b>



### Explanatory Notes to Tables Above

1. Walk-in Revenue includes all self-service revenue generated from the use of the washers and dryers at the Business premises.
2. Delivery Account Revenue includes all revenue generated through our Delivery Account Program.
3. Delivery Account Revenue includes all revenue generated through laundry services provided to corporate accounts.

The information in this Item 19 is not audited. Written substantiation of the data used in preparing this information will be provided upon reasonable request.

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

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 LaundroLab business, however, we may provide you with the actual records of that particular business. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Dan D'Aquisto, 4444 South Boulevard Suite #300, Charlotte, NC 28209 or 704-251-9620, the Federal Trade Commission, and the appropriate state regulatory agencies.

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**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

All figures in the tables below are as of December 31 of each year. The “Company-Owned” outlets are owned and operated by one or more of our affiliates.

**TABLE 1**  
**Systemwide Outlet Summary**  
**For years 2021 to 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	3	+3
	2023	3	10	+7
Company-Owned*	2021	1	2	+1
	2022	2	2	0
	2023	2	2	0
Total Outlets	2021	1	2	+1
	2022	2	5	+3
	2023	5	12	+7

*[Table 2 begins on next page]*