

Provision	Section in franchise or other agreement	Summary
		must be arbitrated in accordance with the then-current the Federal Rules of Civil Procedure and the Federal Rules of Evidence. The arbitration must take place in Miami, Florida. Any arbitration must be resolved on an individual basis and not joined as part of a class action of the claims of other parties.
v. Choice of Forum	Section 23.6	All disputes not subject to arbitration shall be litigated solely in Miami-Dade County, Florida (subject to applicable state law).
w. Choice of Law	Section 23.3	Florida law governs (subject to applicable state law).

Please see the State specific addenda attached to this Disclosure Document at Exhibit I.

**ITEM 18: PUBLIC FIGURES.**

At this time, we do not 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 franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information and the information is included in the disclosure document. Financial performance information that differs from the information 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 Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Time Period Measured:

These figures are derived from 13 of our franchisees' financial statements for the 12-month period from January 1, 2024 through December 31, 2024.

Franchisees' Businesses:

<u>Average Gross Revenue</u> (note 1)	<u>High</u> (note 1)	<u>Median</u> (note 1)	<u>Low</u> (note 1)
\$358,953	\$1,139,889	\$241,537	\$69,887
<u>Average Income</u> (note 2)	<u>High</u>	<u>Median</u>	<u>Low</u>
\$114,372	\$383,929	\$64,430	\$(1,141)

Per Bin Location Figures for Franchisees' Businesses:

<u>Average Annual Number of Total Bin Locations of the Franchisees</u> (note 3)	<u>High</u>	<u>Median</u>	<u>Low</u>
<u>61 Bin Locations</u>	<u>172 Bin Locations</u>	<u>60 Bin Locations</u>	<u>11 Bin Locations</u>
<u>Average Gross Revenue per Monthly Average Number of Bin Locations</u> (note 4)	<u>High</u> (note 4)	<u>Median</u> (note 4)	<u>Low</u> (note 4)
<u>\$6,065</u>	<u>\$12,134</u>	<u>\$5,379</u>	<u>\$3,773</u>
<u>Average Annual Income per Bin Location</u> (note 5)	<u>High</u> (note 5)	<u>Median</u> (note 5)	<u>Low</u> (note 5)
<u>\$1,781</u>	<u>\$3,656</u>	<u>\$1,671</u>	<u>\$(277)</u>

Price per Pound Sold through Franchisor's National Buyer Program (note 6):

<u>Time Period</u>	<u>Average Price Per Pound</u>	<u>High</u>	<u>Median</u>	<u>Low</u>
<u>January – December 2024</u>	<u>\$0.49 cents per pound</u>	<u>\$0.55</u>	<u>\$0.50</u>	<u>\$0.44</u>

Average Monthly Pounds Collected Per Bin Location (note 7):

<u>Average Monthly Pounds Collected Per Bin Location</u>	<u>High</u>	<u>Median</u>	<u>Low</u>
<u>1,003 lbs.</u>	<u>2,333 lbs.</u>	<u>878 lbs.</u>	<u>470 lbs.</u>

Pounds Collected in 2024 (note 8):

<u>Average Annual Pounds Collected</u>	<u>High</u>	<u>Median</u>	<u>Low</u>
<u>712,114 lbs.</u>	<u>2,231,000 lbs.</u>	<u>410,810 lbs.</u>	<u>110,840 lbs.</u>

The numbers in the above financial performance representations, and the numbers used in the underlying calculations, were rounded to the nearest dollar or single digit.

Note 1: Gross Revenue is the total dollar sales from the sale of clothes, shoes and textiles that each of the 13 reporting franchisees collected in their placed Bins. For clarity, the average was

calculated by taking the sum of all data points in a set and dividing the sum by the number of data points in the set. Here, the sum of the reporting franchisees' Gross Revenue was divided by 13. The median is the data point that is in the center of all data points used. Here, the median is the seventh number in the 13 data point set. The low and high figures are the lowest and highest numbers in the range of all data points in the set. Of the 13 franchisees, 4 franchisees' Gross Revenues attained or exceeded the stated Average Gross Revenue, or 30.77% of these franchisees.

Note 2: Income was calculated by taking Gross Revenue less Cost of Goods Sold and Expenses. The average, low, median and high figures for Income were calculated as described in Note 1. Cost of Goods Sold and Expenses include the expenses of the 13 reporting franchisees' businesses. Such Cost of Goods Sold and Expenses include Continuing Royalty Fees, BLIP Monitoring Fees, freight, fuel, insurance and labor costs, location rents, repairs and maintenance, supplies, tolls, trailer expenses, truck costs as leased or owned, weigh station fees, miscellaneous expenses, and utilities (if using a warehouse for capsacking operations). The Cost of Goods Sold and Expenses do not include officers/owners' pay, professional fees, meals and entertainment, telephone, travel, advertising/tradeshows, office supplies, distributions, interest, taxes, depreciation or amortization, or extraordinary expenses or benefits not related to normal operating expenses. Of the 13 franchisees, 4 franchisees' Income attained or exceeded the stated Average Income, or 30.77% of these franchisees.

Note 3: The average annual number of Total Bin Locations in the "Per Bin Location Figures for Franchisees" representation, is the total average of the 13 reporting Franchisees' Bin Locations in operation during 2024. This number was computed by adding the operating Bin Locations for each of the twelve months of 2024 and dividing that number by 13. Because they did not have the same number of Bin Locations during the year and added and subtracted Bin Locations to and from their businesses during the year, the number of Bin Locations placed did not stay the same for the entire year. This does not report the number of individual Bins that are placed. Franchisees may have one or more Bins placed at a Bin Location, but the number of Bins placed at a Bin Location is not reported to Franchisor. If any of the Bins were not in operation at Bin Locations, they did not produce revenues. The Median figure of the average annual number of the reporting Franchisee's Total Bin Locations was calculated by taking the seventh data point in the data set, and then rounding to the nearest single digit.

Note 4: In the "Per Bin Location Figures for Franchisees' Businesses" representation, the "Average Gross Revenue Per Bin Location" figure was calculated by first determining the Gross Revenue per Bin Location for each reporting franchisee by taking the reporting franchisee's total Gross Revenue for 2024, and dividing the franchisee's Gross Revenue number by its average number of Bin locations; and then taking the sum of the Gross Revenue per Bin Location for each of the 13 reporting franchisees and dividing the sum by 13. Of the 13 franchisees, 6 franchisees' Gross Revenue per their respective average number of Bin Locations attained or exceeded the stated "Average Gross Revenue Per Bin Location" amount, or 46% of these franchisees. The "Median Gross Revenue per Reporting Franchisees' respective average number of Bin Locations" figure was calculated by taking the seventh data point in the data set.

Note 5: In the "Per Bin Location Figures for Franchisees' Businesses" representation, the "Average Income Per Bin Location" figure was calculated by first determining the Income per Bin Location for each reporting franchisee by taking the reporting franchisee's total Income for 2024, and dividing the franchisee's Income number by its average number of Bin locations; and then taking the sum of the Income per Bin Location for each of the 13 reporting franchisees and dividing the sum by 13. Of the 13 franchisees, 7 franchisees' Income per their respective average number

of Bin Locations attained or exceeded the stated “Average Income Per Bin Location” amount, or 53.84% of these franchisees. The “Median Income per Reporting Franchisees’ respective average number of Bin Locations” figure was calculated by taking the seventh data point in the data set.

Note 6: The “Price per Pound Sold through Franchisor’s National Buyer Program” representation shows the average, high, low and median price per pound that franchisees received for the collected clothes, shoes and textiles during January 2024 through December 2024 through our National Buyer Program (rounded to the nearest cent). Of the 39 franchisees who participated in the National Buyer Program from January – December 2024, 18 franchisees attained or exceeded the stated Average Price Per Pound for January – December 2024, or 46% of these franchisees. These prices per pound, however, are subject to change at any time. We do not represent or guarantee that the prices paid to you through our National Buyer Program, if you participate, will fall within this range.

Note 7: The “Average Monthly Pounds Collected Per Bin Location” figure was calculated by first determining the average pounds per Bin Location for each reporting franchisee by taking the reporting franchisee’s total number of pounds collected during 2024, dividing the franchisee’s total number of pounds collected by its average number of Bin Locations, and dividing the result by 12 months; and then taking the sum of the average pounds per Bin Location for each of the 13 reporting franchisees and dividing the sum by 13. Of the 13 franchisees, 4 franchisees attained or exceeded the stated “Average Gross Revenue Per Bin Location” amount, or 30.77% of these franchisees. The Median average monthly pounds collected figure was calculated by taking the seventh data point in the data set.

Note 8: The “Average Pounds Collected in 2024” figure was calculated by taking the sum of the 13 reporting franchisees total number of pounds collected during 2024 and dividing the sum by 13. Of the 13 franchisees, 4 franchisees attained or exceeded the stated “Average Pounds collected in 2024” amount, or 31% of these franchisees. The Median annual pounds collected figure was calculated by taking the seventh data point in the data set.

#### The Group Measured and Number of Outlets Measured:

These figures are derived from the actual historical performance of 13 of the 21 franchisees who operated their Clothes Bin franchised businesses for the entire 12-month period from January 2024 through December 2024 with at least 20 Bins in one territory, the minimum number of Bins Franchisees have to purchase for one territory. Prior to 2022, we required Franchisees to purchase a minimum of 40 Bins for one territory. Only the 13 franchisees included in the financial performance representation provided their financial information for the entire 12-month period from January 2024 through December 2024. The other 8 franchisees did not provide us with their financial information for this entire period so we could not include their financial information in the representation above. These figures are based on financial data reported by these 13 franchisees, who operate in a total of 24 territories, as well as our BLIP system portal for the Average Number of Bin Locations figures. All 13 of these franchisees had more than 20 Bins per territory as of the end of 2024 and 4 of these 13 franchisees operate in more than one territory. For purposes of this financial performance representation, we are counting the number of “franchisees” as a franchisee who has one or more adjacent territories under common ownership.

There were 36 Clothes Bin franchisees that operated in 2024, but only 21 franchisees operated with at least 20 Bins in one territory for the entire 2024 calendar year. For purposes of

counting the number of Clothes Bin franchisees' businesses in this paragraph and in the above financial performance representation, we refer to the number of franchisees' businesses as the number of Franchisees that have a Clothes Bin business, notwithstanding how many territories they purchased. This is because the Franchisees' financial statements for their Clothes Bin business, which may operate in more than one territory, are combined and not reported per territory. This is not the same way we define Franchised Outlets for purposes of the Item 20 tables.

Distinguishing Characteristics:

Your Clothes Bin business may also differ from the franchisees' businesses included in the preceding financial performance representation based on characteristics such as, but not limited to, the geographic area in which the bins were located, the number of Bin locations, the market, the degree of competition, and the length of time operating. These Franchisees operate in Colorado, Florida, Iowa, Kansas, Louisiana, Nebraska, North Carolina, Ohio, South Carolina and Texas, and 13 of the 13 reporting franchisees had more than 20 Bins in one territory.

The prices you may be able to get per pound of collected clothes, shoes and textiles through our National Buyer Program fluctuates greatly and depends on a variety of factors, including, but not limited to, the area of the country and the demographics of the area in which the bins are located, the market (in the United States and abroad), freight, fuel, logistics and related trucking expenses, the degree of competition, market issues and currency devaluations abroad, weather related issues, borders opening or closing, tariffs, freight related issues, acts of God, pandemics, epidemics, volume buyers cutting back or increasing purchases due to supply and demand for recycled textiles, the buyers (retail or wholesale), and whether the textiles are sold to local, national or international buyers. In addition, the volume of clothes, shoes and textiles collected per Bin may vary greatly as the volume depends on the general public's contributions.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

**Some franchisees have sold these amounts. Your individual results may differ. There is no assurance that you will sell as much.**

Other than the preceding financial performance representation, FLSC Recycling, 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 Marc Douglas, FLSC Recycling, LLC, 3911 SW 47th Avenue, Suite 903, Davie, Florida 33314, 844.FLL.BINS (844.355.2467), the Federal Trade Commission and the appropriate state regulatory agencies.