

Provision	Section in franchise agreement	Summary
w. Choice of law	§ 18.8;	North Carolina law will govern (subject to applicable state law)

Item 18 PUBLIC FIGURES

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 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.

Background

Our affiliate, Scoop Brothers K-9 Waste Removal Service, LLC, has operated a Scoop Brothers business similar to the business offered under this disclosure document in Rock Hill, South Carolina, since November 2018. It is owned and operated by our officer Daniel Sturgis. The chart below is a historical financial performance representation of the actual income and expenses our affiliate experienced from January 1 through December 31, 2024 and January 1 through December 31, 2023, except for certain adjustments that are disclosed in the notes. During this time, our affiliate operated two Service Trucks within an area comprised of approximately 126,000 households, which is equal to approximately one Territory. Our affiliate did not pay us Royalty Fees or Technology Fees, which have both been imputed at the end of the chart below at the rate of 7.5% of Income for Royalty Fees and \$500 per month for Technology Fees. This affiliate did not pay us an initial franchise fee or any training fees. Otherwise, there were no material operational or financial differences between this affiliate-owned business and the franchise offered under this disclosure document. This data was collected by our affiliate.

Affiliate Profit & Loss Statement January 1, 2024 to December 31, 2024 and 2023		
	2024	2023
Total Income¹	\$421,846	\$352,738
Cost of Goods Sold		
Job Supplies	\$20,269	\$17,194
Total Cost of Goods Sold	\$20,269	\$17,194
Gross Profit²	\$401,577	\$335,544
Expenses		
Advertising & Marketing ³	\$39,514	\$27,873
Bank Charges & Fees ⁴	\$11,933	\$11,305
Car & Truck ⁵	\$22,499	\$34,834
Payroll Expenses ⁶	\$80,523	\$89,802
Miscellaneous Operating Expenses ⁷	\$7,267	\$6,670
Insurance	\$21,236	\$13,503
Utilities ⁸	\$6,029	\$6,532
Total Expenses	\$189,000	\$184,519
Net Operating Income⁹	\$212,577	\$151,025
Imputed Royalty Fees (7.5%)	\$31,638	\$26,455
Imputed Technology Fee	\$6,000	\$6,000
Estimated Net Operating Income¹⁰	\$174,939	\$118,569

Notes:

1. “Total Income” means all revenue from the sale of products and services and all other income of every kind related to the affiliate’s Scoop Brothers business, whether for cash, credit, trade, barter or other value, less any bona fide discounts and refunds given to customers in the ordinary course of business.
2. “Gross Profit” means Total Income less the Total Cost of Goods Sold.
3. While Scoop Brothers franchisees are required to spend at least 3% of Gross Sales on Local Marketing (see Items 6 and 11), our affiliate spent approximately 9.4% of its Total Income on Advertising & Marketing in 2024 and 7.9% of its Total Income on Advertising & Marketing in 2023.
4. “Bank Charges & Fees” includes bank charges and fees and QuickBooks payments fees.
5. “Car & Truck” includes Service Truck payments, fuel, repairs and maintenance, and travel expenses.

6. “Payroll Expenses” includes all payments to employees, including payroll expenses and wages. The Payroll Expenses do not include any owner salary. Scoop Brothers franchisees may operate their franchises as owner-operators or they may hire one or more employees to operate the Service Trucks. If you hire one or more employees to operate your Service Truck(s), you will need to account for an increase in Payroll Expenses. Our affiliate’s employees were paid between \$15 and \$19 per hour and worked 40 hours per week.
7. “Miscellaneous Operating Expenses” includes charitable contributions, legal and professional fees, office supplies and software, taxes & licenses, and other business expenses.
8. “Utilities” includes telephone, trash removal, and other utilities expenses.
9. “Net Operating Income” means Gross Profit less Total Expenses.
10. “Estimated Net Operating Income” means the Net Operating Income less the Imputed Royalty Fees and Imputed Technology Fee. This is the Estimated Net Operating Income that our affiliate would have incurred if it had paid Royalty Fees and a monthly Technology Fee during this time period.

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

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

Other than the preceding financial performance representation, we do not make any 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 Shannon Roderick at Scoop Brothers Franchising, LLC, (704) 604-0370 14301 South Lakes Drive, Charlotte, NC 28273.and the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20 OUTLETS AND FRANCHISEE INFORMATION

Table 1 Systemwide Outlet Summary For years 2022 to 2024