

Provision	Section in Franchise Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 17.1	Subject to applicable law, disputes must be mediated, except for actions we bring for monies owed, injunctive or other equitable relief, or relief relating to real property, the Marks or our confidential information.
v. Choice of forum	Section 17.2	Subject to applicable law, mediation is at the AAA office nearest to Dallas, Texas. Venue for any other proceeding is the state or federal district court in which Dallas, Texas is located.
w. Choice of law	Section 17.4	Subject to applicable law, Texas law applies, except for Texas choice of law rules.

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote the 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.

ANALYSIS OF HISTORICAL GROSS SALES AND SELECTED COST INFORMATION FOR COMPANY-AFFILIATED MOSQUITONIX BUSINESSES DURING JANUARY 1, 2023 TO DECEMBER 31, 2023

This analysis contains historical Gross Sales, cost of goods sold, operating expenses, and net income information incurred in operating all existing company-affiliated MosquitoNix and Holiday Lighting Businesses. The information represents data collected on a trailing twelve-month basis beginning January 1, 2024 and ended December 31, 2024 (the "Measurement Period").

The Gross Sales and selected cost analysis were prepared based on the results of 7 affiliate owned and operated MosquitoNix and Holiday Lighting Businesses that were open and operating during the Measurement Period. These company-affiliated Businesses are located in markets in Florida (3, Jacksonville, West Coast of Florida ("WCFL") and Orlando), South Carolina (1, Hilton Head), and Texas (3, Mid-Cities, North Dallas and Dallas) (each a "Market" or collectively the "Markets").

All of the company-affiliated Businesses in the Markets in this analysis offer substantially the same products and services that a franchised Business will offer. However, as further discussed below, all of the company-affiliated Businesses and their Markets differ from the Business you will operate in your Territory in terms of population and size of the Market and some of the company-affiliated Businesses and their Markets differ from the Business you will operate in your Territory in terms of the level of management

oversight and advertising spend during the Measurement Period. For these reasons, we have divided the 7 Markets into 4 “Conforming Markets” (Jacksonville, Mid-Cities, North Dallas and Dallas) and 3 “Non-Conforming Markets” (WCFL, Orlando and Hilton Head) and present two tables for these Conforming Markets and Non-Conforming Markets.

Except as to the Hilton Head Market detailed below, the population and size of all of these Markets are significantly larger than the Territory that will be offered to you under this disclosure document. Specifically, the Jacksonville, Mid-Cities, North Dallas and Dallas Markets all operate primarily in a geographic area that is comprised of 3 Territories based on the size and demographics for Territories that we offer to franchisees under this disclosure document. The WCFL Market operates primarily in an area that is comprised of 6 Territories based on the size and demographics for Territories that we offer to franchisees under this disclosure document. The Orlando Market operates primarily in an area that is comprised of 3 Territories based on the size and demographics for Territories that we offer to franchisees under this disclosure document. The Hilton Head Market operates primarily in an area that is comprised of less than 1 Territory based on the size and demographics (approximately 20,000 households) for Territories that we offer to franchisees under this disclosure document. Collectively, the 7 Markets would include 22 Territories based on the population, size and demographics for Territories that we offer to franchisees under this disclosure document. Therefore, the Markets do not represent the population or size of the Territory that you will be offered for your franchised Business.

For these reasons, we have also included total sales both when measured as a whole for each Market and then also total sales when measured by the current territory size to show the Market sales based on the population or size of the Territory that will be purchased by the franchisees. However, with respect to costs, our information and experience reflects that there is no material difference in general costs as a percentage of sales in Tables 1 and 2 whether reflecting the actual total sales of each Market or the total sales of each Market when measured by the population or size of the Territory that will be purchased by the franchisees.

The 4 Conforming Markets in Table 1 were operated during the Measurement Period in a manner that is reflective of what we expect from franchised Territories in terms of, management (each Market had a company-affiliated general manager active in the Market) and advertising spend (each Market generally spent over approximately \$60,000 on local marketing for the Market an annual basis although you will be required spend only \$42,000 in your Territory under your Franchise Agreement). Accordingly, we have grouped these 4 Markets together in Table 1.

The 3 Non-Conforming Markets were not operated during the Measurement Period in a manner that is reflective of what we expect from franchised Territories either in terms of size, management (none of these Markets had a dedicated company-affiliated general manager living in the Market) and/or advertising spend (none of these Markets generally spent over \$24,000 on local marketing for the Market an annual basis). Accordingly, we have grouped these 3 Markets together in Table 2.

This analysis is provided despite the size of the 7 Markets to provide both expense information at various revenue levels as well as to demonstrate the various revenue types. Although the financial results of the 7 Markets reflect all revenue received by all Customers served by our company-affiliated Businesses during the Measurement Period, we excluded the population surrounding approximately 350 Customers when creating the 7 Markets and 22 Territories in this analysis. We excluded these approximately 350 Customers because they are located in rural areas that are not otherwise marketed to, served or supported by the Businesses, but they receive services from our Businesses because they are second homes, vacation homes or business locations for existing Customers that have primary residences in our Markets. These 350 total customers generated approximately \$82,250.65 in total sales during the 2024 fiscal year.

During the Measurement Period, none of these Markets paid any Royalty or Brand Fund Fees. The amounts depicted below show what each Market would have paid had they operated as a franchisee under this offering.

*Royalty Fees in Tables 1 and 2 are calculated based on the Gross Sales breaks described in Item 6 of this disclosure document.

Gross Sales are as defined in the Franchise Agreement, namely Gross Sales means all revenue from sales of the Business, including amounts received from the sale of products and services of every kind and nature, and whether from cash, check, credit card or credit transactions. The term Gross Sales does not include (i) bona fide refunds to customers that are specifically authorized by us (ii) sales taxes collected (iii) discounts, coupons, and promotions, or (iv) sales of prepaid cards or similar products.

Table 1
Conforming Markets

Market	Jacksonville	Mid-Cities	North Dallas	Dallas	All Company <u>Conforming</u> Affiliated Markets
<u>Revenue</u>					
Misting Systems	\$291,996	\$83,184	\$60,527	\$99,713	\$535,420
Christmas Lights	\$239,335	\$49,838	\$27,488	\$101,348	\$418,009
Convenience Billing	\$821,055	\$594,133	\$414,104	\$1,177,316	\$3,006,608
Misc. Svc	\$139,858	\$137,541	\$88,361	\$416,334	\$782,094
TOTAL SALES	\$1,492,244	\$864,696	\$590,480	\$1,794,711	\$4,742,131
TOTAL HOUSELANDS IN THE MARKET	192,286	187,776	202,205	188,429	770,696
TOTAL SALES WHEN MEASURED BY CURRENT TERRITORY SIZE (60,000 single-family households where such households meet an average annual household income of \$100,000)	\$466,326 (based on approximately 3.2 60,000 Territories)	\$278,934 (based on approximately 3.1 60,000 Territories)	\$173,671 based on approximately 3.4 60,000 Territories)	\$578,939 (based on approximately 3.1 60,000 Territories)	\$370,479 (based on approximately 12.8 60,000 Territories)
<u>Cost of Goods Sold</u>					
Misting System COGS	\$126,761	\$53,879	\$43,026	\$96,702	\$320,368

Christmas Lights					
COGS	\$5,258	\$701	\$700	\$3,693	\$10,352
Direct Labor					
COGS	\$216,935	\$111,504	\$26,705	\$299,125	\$654,269
Misc. COGS	\$127,699	\$51,777	\$36,503	\$109,331	\$325,310
Total COGS	\$476,653	\$217,861	\$106,934	\$508,851	\$1,310,299
GROSS PROFIT	\$1,015,591	\$646,835	\$483,546	\$1,285,860	\$3,431,832
<u>Expenses</u>					
Operating Expenses	\$222,771	\$150,784	\$114,614	\$226,583	\$714,752
Wages	\$110,845	\$74,437	\$119,689	\$163,876	\$468,847
Facilities Expenses	\$48,008	\$24,934	\$24,293	\$91,579	\$188,814
Selling Expense	\$49,689	\$17,488	\$10,827	\$38,027	\$116,030
TOTAL EXPENSES	\$431,314	\$267,643	\$269,423	\$520,065	\$1,488,444
Net Income	\$584,277	\$379,192	\$214,123	\$765,795	\$1,943,388
<u>Franchise Expenses</u>					
Royalty (7%-10%)	\$104,457	\$60,529	\$53,143	\$125,630	\$343,759
Brand Fund (2%)	\$29,845	\$17,294	\$11,810	\$35,894	\$94,843
Total Franchise Expenses	\$134,302	\$77,823	\$64,953	\$161,524	\$438,601
Net Operating Profit (If Franchised)	\$449,975	\$301,370	\$149,170	\$604,271	\$1,504,787
Net Operating Profit Margin (If Franchised)	30.15%	34.85%	25.26%	33.67%	31.73%

Table 2
Non-Conforming Markets

Market	WCFL	Orlando	Hilton Head	All Company <u>Conforming</u> Affiliated Markets
<u>Revenue</u>				
Misting Systems	\$191,245	\$117,030	\$26,004	\$334,278
Christmas Lights	\$19,111	\$89,276	\$53,564	\$161,951
Convenience Billing	\$278,034	\$380,183	\$90,224	\$748,442
Misc Svc	\$15,731	\$17,352	\$3,756	\$36,839
TOTAL SALES	\$504,121	\$603,842	\$173,548	\$1,281,510
TOTAL HOUSELANDS IN THE MARKET	396,000	198,051	11,966	606,017
TOTAL SALES WHEN MEASURED BY CURRENT TERRITORY SIZE (60,000 single-family households where such households meet an average annual household income of \$100,000)	\$76,381 (based on approximately 6.6 60,000 Territories)	\$182,982 (based on approximately 3.3 60,000 Territories)	\$138,814 based on approximately .20 of 60,000 Territories)	\$126,882 (based on approximately 10.1 60,000 Territories)
<u>Cost of Goods Sold</u>				
Misting System COGS	\$85,182	\$46,216	\$3,301	\$134,699
Christmas Lights COGS	\$386	\$359	\$0	\$745
Direct Labor COGS	\$123,215	\$137,374	\$6,809	\$267,399
Misc. COGS	\$45,381	\$56,817	\$19,642	\$121,840
Total COGS	\$254,164	\$240,767	\$29,752	\$524,683
GROSS PROFIT	\$355,637	\$408,368	\$153,507	\$917,512
<u>Expenses</u>				
Operating Expenses	\$127,421	\$164,192	\$77,301	\$368,914
Wages	\$23,650	\$160,218	\$79,138	\$263,006
Facilities Expenses	\$18,236	\$14,371	\$8,924	\$41,530
Selling Expense	\$22,098	\$19,266	\$6,935	\$48,298
TOTAL EXPENSES	\$191,405	\$358,046	\$172,298	\$721,748

Net Income	\$164,233	\$50,322	(\$18,791)	\$195,763
Franchise Expenses				
Royalty (7%-10%)	\$48,784	\$51,931	\$18,326	\$119,041
Brand Fund (2%)	\$12,196	\$12,983	\$3,665	\$28,844
Total Franchise Expenses	\$60,980	\$64,913	\$21,991	\$147,885
Net Operating Profit (If Franchised)	\$103,252	(\$14,592)	(\$40,782)	\$47,879
Net Operating Profit Margin (If Franchised)	16.93%	-2.25%	-22.25%	3.74%

Table 3
Customer Acquisition Center

The below chart outlines the performance of our Customer Acquisition Center (CAC) with respect to the 7 affiliate owned and operated MosquitoNix and Holiday Lighting Businesses that were open and operating during the 2024 fiscal year ended December 31, 2024. The chart displays the total number of inquiries handled, video consultations completed, and Misting Systems, Holiday Lighting & Décor, QuickNix one-time fogging treatments, and PestNix one-time sale transactions during the 2024 fiscal year along with the sale closing percentages. The total revenue and average per job sales are also outlined in the table below. Please see Item 6 for your costs related to the CAC.

<u>Monthly Sales</u>	<i>JAX</i>	<i>Orlando</i>	<i>WCF</i>	<i>HHI</i>	<i>Dallas</i>	<i>Mid Cities</i>	<i>North Dallas</i>	<i>System Wide</i>
Annual Inquiry	303	160	170	57	209	141	105	1145
Misting System Estimate	122	44	66	12	60	35	33	372
Misting System Win	97	29	53	8	38	23	24	272
Misting System Closing %	80%	66%	80%	67%	63%	66%	73%	73%
Misting System Pre-Tax Avg.	3,282	3,681	3,535	4,688	3,307	3,585	3,025	\$3,586

<i>Christmas Light Estimate</i>	34	13	13	3	9	3	2	77
<i>Christmas Light Win</i>	25	12	6	3	6	3	2	57
<i>Christmas Light Closing %</i>	74%	92%	46%	100%	67%	100%	100%	74%
<i>Christmas Light Avg.</i>	1,327	1,429	3,500	2,833	1,747	2,618	1,343	\$1,779
<i>Christmas Light Median</i>	1,500	1,470	2,000	1,881	1,200	1,533	1,155	\$1,500
<i>Christmas Light Re-Sale Revenue</i>	206,154	67,839	5,375	46,563	90,779	41,984	57,839	\$516,533
<i>Christmas Light Pre-Tax Revenue</i>	33,180	\$17,745.00	21,000	8,500	10,483	7,854	2,687	\$101,449

QuickNix Estimate	85	92	57	16	132	92	56	530
QuickNix Win	75	27	50	3	101	53	41	350
QuickNix Closing %	88%	29%	88%	19%	77%	58%	73%	62%
QuickNix Avg.	65	46	53	79	99	74	64	\$76
Quicknix Median	79	79	70	79	99	79	79	\$79
QuickNix Revenue	4,843	1,250	2,650	237	9,971	6,775	3,586	\$29,312
Quicknix Resale Revenue	23,891	9,493	1,517	1,015	104,405	15,183	5,201	\$160,705

PestNix Estimate	122	44	66	12	60	35	33	372
PestNix Win	62	34	42	7	50	25	20	240
PestNix Closing %	50.82%	77.27%	63.64%	58.33%	83.33%	71.43%	60.61%	66%
PestNix Avg.	92	14	47	156	188	115	155	\$37
PestNix Median	20	20	50	20	20	20	20	\$20
PestNix Revenue	2206	212	1268	468	2822	808	1037	\$8,821
PestNix Resell	12,355	2,348	400	340	9,968	2,715	2,630	\$30,756

*Our Customer Acquisition closing percentage was 69% during the 2024 fiscal year.

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

Some outlets have earned this much. Your individual results may vary. There is no assurance you'll earn as much.

Except as noted above, 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 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 our management by contacting Mike O'Neal, at 8940 Western Way, Suite #2, Jacksonville, Florida 32256, 855-808-BUGS (2847), the Federal Trade Commission, and the appropriate state regulatory agency.

ITEM 20 **OUTLETS AND FRANCHISEE INFORMATION**

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2022 TO 2024⁽¹⁾

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised ⁽²⁾	2022	0	0	0
	2023	0	0	0
	2024	0	8	+8
Company- Owned	2022	7	7	0
	2023	7	7	0