

ITEM 19

FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose 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 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 performance at a particular location or under particular circumstances.

As of December 31, 2024, we had one affiliate-owned Bar-B-Clean Business (“Affiliate Location”) and 76 franchised Bar-B-Clean Businesses (“Franchised Locations”) operated by twenty nine franchisees. 28 of the Franchised Locations and the Affiliate Location were opened for the full 2024 calendar year. We treat each signed franchise agreement as a separate Bar-B-Clean Business; however, some franchisees report financial data for multiple franchise agreements together as noted below. The financial information provided in the following tables represents the historical performance of the data of the Affiliate Location and a subset of the Franchised Locations.

Some Legacy (prior to 2023) Franchised Locations in this Item 19 (Tables 1a and 1b) differ from the franchised Bar-B-Clean Businesses offered under this disclosure document due to size of their territories, which range from approximately 100,000 to 175,000 households. The current standard territory model includes 75,000 households, with the opportunity to expand up to 100,000 households.

The Affiliate Location shares many of the same characteristics as our Franchised Locations, including degree of competition and services and goods offered, except the Affiliate Location does not pay the Royalty and Technology Fee. The Affiliate Location contributes to the Brand Fund on the same basis as franchisees. The financial information for the Affiliate Location was prepared from internal accounting records and reports. Data for the Franchised Locations is based on financial information reported to us by the franchisees. The information included in these financial performance representations has not been audited but we have no reason to doubt its accuracy. For purposes of this Item 19, “Gross Revenue” means the total revenue derived from the sale of goods or services less sales tax, discounts, allowances, and returns. All dollar amounts have been rounded to the nearest dollar.

Table 1:

We include data from: (i) 21 full-time Franchised Locations operated by five franchisees where the Bar-B-Clean Business is the franchisee's primary job and the franchisee operates on a full time basis (“Full Time Franchised Locations”); (ii) six part-time Franchised Locations operated by four franchisees where the franchisee operates the Bar-B-Clean Franchised Location in addition to a full-time job and the franchisee operates on a part-time basis (“Part Time Franchised Locations”); and (iii) one Affiliate Location that operated during the entire 2024 calendar year on a full-time basis (“Table 1 Reporting Group”) and reports on results attained during calendar year 2024 (“Table 1 Reporting Period”).

We present the information for the Franchised Locations whose first full year of operations began on March 31, 2024 separately from the other Bar-B-Clean Businesses in the Table 1 Reporting Group in Table 1c below. For this group, we used a rolling 12 month revenue taking us through March 31, 2025.



The only Franchised Locations that opened prior to March 31, 2024 that are not included in the Table 1 Reporting group are West Orlando and North Fort Worth. For West Orlando although the location opened, it wasn't operated or advertised in the location and did not have any sales. Fort Worth transferred their territory to another franchisee in 2024.

Table 1a

2024 Gross Revenue For Full Time Franchised Locations and Affiliate Location			
Location	Number of Bar-B-Clean Businesses	Gross Revenue	Jobs
Central Texas	11 (3 were opened on 3/28/24 and another 7 opened on 8/7/24)	\$1,091,607	1791
Ventura	2	\$256,821	697
SW Florida	1	\$240,190	469
North OC (Affiliate Location)	1	\$383,243	802

Table 1b

2024 Gross Revenue For Part Time Franchised Locations			
Location	Number of Bar-B-Clean Businesses	Gross Revenue	Jobs
Nashville	2	\$128,812	310
Tidewater	1	\$57,940	106
Central South Carolina	1	\$26,311	63

Table 1c

2024 Gross Revenue Franchised Locations with their First Full Year of Operation in 2024			
Location	Number of Bar-B-Clean Businesses	Gross Revenue	Jobs
Southwest Houston	4	\$203,505	325
North Atlanta	3	\$199,127	401
Wasatch (Part Time)	2	\$61,153	175

Table 1 Notes:

1. “Job” refers to each unique transaction completed by the Franchised Location or Affiliate Location.
2. “Total Jobs” refers to the total number of Jobs completed during the 2024 Reporting Period.



3. Our Affiliate Location is comparable to a Full Time Franchised Location although the owner and operator also serves as our Director, President, and Chief Financial Officer.

4. The financial performance representations in Table 1 do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

5. Because the figures in this Item 19 include data from the equivalent of multiple franchise B-Clean Businesses for a single outlet, these figures may include significantly higher Gross Revenue and corresponding numbers than the typical franchisee would generate operating a single Bar-B-Clean Business. A breakdown of the figures by each Bar-B-Clean Business would result in lower numbers.

Table 2:

Table 2 shows the Gross Revenue for five Franchised Locations (“Table 2 Reporting Group”) that opened within the first three months of 2024 and were open for 12 months from March 30, 2024 to March 30, 2025 (“Table 2 Reporting Period”).

March 2024 – March 2025 Gross Revenue For Table Two Reporting Group		
Location	Number of Bar-B-Clean Businesses	Gross Revenue
San Diego	8 (3 were opened 8/26/24)	\$579,563
Greenwich-Stamford	1	\$154,588
Kansas City	5	\$131,192
East Valley	4	\$167,197
St Augustine (Part Time Franchised Location)	1	\$21,788

Table 2 Notes:

The financial performance representations in Table 2 do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

Table 3:

In Table 3, we provide an overview of the Gross Revenue, Operating Expenses, Adjusted Earnings, and Adjusted Margins of the Affiliate Location for 2023 and 2024.

**Table 3
2024 Adjusted Earnings and Adjusted Margin for the Affiliate Location**

Data Type	2024		2023	
		Margin		Margin
2024 Total Gross Revenue	\$383,243	100%	\$397,467	100%
Cost of Goods Sold	\$48,281	12.60%	\$55,130	13.87%
Gross Profit	\$334,962	87.40%	\$342,337	86.13%



Operating Expenses				
Liability Insurance	\$5,289	1.38%	\$4,800	1.21%
Marketing & Advertising	\$28,416	7.41%	\$28,729	7.23%
Meals & Entertainment	\$2,102	0.55%	\$1,874	0.47%
Office Expenses/Supplies	\$5,166	1.35%	\$6,744	1.70%
Technicians/Ops Payroll	\$129,682	33.84%	\$124,731	31.38%
Professional Fees	\$1,600	0.42%	\$1,450	0.36%
Telephone & Computer Services	\$1,641	0.43%	\$1,782	0.45%
Total Operating Expenses	\$173,896	45.37%	\$170,110	42.80%
Franchise Fees (Imputed)				
Royalty (6%)	\$22,994.58	6%	\$23,848	6%
Brand Fund (2%)	\$7,664.86	2%	\$7,949	2%
Technology Fee	\$500	0.13%	\$500	0.13%
Adjusted Earnings	\$129,907	33.90%	\$139,930	35.2%

Notes to Table 3:

1. **Cost of Goods Sold** includes the cost of Parts & New Grills. No other costs and expenses are included.
2. **Gross Profit** means Gross Revenue less Costs of Goods Sold.
3. **Operating Expenses** includes liability insurance, marketing and advertising, meals and entertainment, office expenses/supplies, technicians/ops payroll, professional fees, and telephone and computer services.
4. **Franchise Fees – Imputed Fees.** We have imputed certain fees assessed by us and made adjustments based on the fees paid and expenditures required under our current Franchise Agreement for the Affiliate Location. Franchised Bar-B-Clean Businesses are required to pay a Royalty of the greater of 6% of Gross Revenue or a \$500 monthly minimum and are subject to a Brand Fund Contribution of 2% of Gross Revenue. The illustrative adjustments of adding the Royalty and the \$500 Technology Fee are based on the fees that would have been charged if the Reporting Affiliate Locations were operating under the terms of our franchise agreement. In making the Franchise Related Adjustments, we assumed that any additional expenses would not have a direct or indirect material effect on revenue or other expenses.
5. **Adjusted Earnings** refers to Gross Profit less Operating Expenses and Franchise Fees. It does not include the deduction of taxes, interest, depreciation, or amortization.
6. **Margin** is calculated by dividing Gross Revenue by Adjusted Earnings.

Table 4

In Table 4 below, we provide an overview of the average number of Jobs reported and the average Gross Revenue per Job reported by the 23 Full Time Franchised Locations operated by seven franchisees, four Part Time Franchised Locations operated by three franchisees and the Affiliate Location. Due to the outlier of the Central Texas Franchised Locations, we include a breakdown of the Full Time Franchised Locations' data without the Central Texas Franchised Locations, as well as a breakdown of the performance of all full time businesses which includes all Full Time Franchise Locations (including the Central Texas Franchised Locations) and the Affiliate Location.



Table 4
Average and Median Total Jobs and Revenue Per Job

2024

Data Type	High	Average	Low	Median	# Meeting or Exceeding Average	% Meeting or Exceeding Average
Full Time Franchised Locations (excluding Texas Franchised Locations)						
Revenue Per Job	\$626	\$472	\$349	\$478	4	67%
Total Jobs	802	478	175	435	2	33%
All Full Time Franchised Locations and Affiliate Location ⁽²⁾						
Revenue Per Job	\$626	\$491	\$349	\$497	4	57%
Total Jobs	1791	666	175	469	2	29%
All Part-Time Franchised Locations						
Revenue Per Job	\$547	\$460	\$416	\$418	1	33%
Total Jobs	310	160	63	106	1	33%

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

Some Bar-B-Clean Businesses have sold this amount. Your individual financial results may differ. There is no assurance that you will sell as much.

Other than the preceding financial performance representation, Bar-B-Clean Franchising Inc. 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 Bryan Weinstein, Bar-B-Clean Franchising Inc., 5390 Los Monertos, Yorba Linda, California 92887, 888-551-8690, or bryan@bar-b-clean.com, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide Outlet Summary
For Years 2022 - 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2022	23	23	0
	2023	23	28	+5
	2024	28	77	+49

