

v. Choice of Law	Section13.10	State in which our principal place of business is located, which is currently in Texas, subject to applicable state law.
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Some states may have laws or legal precedent that may supersede the Franchise Agreement concerning Your relationship with us including the areas of termination and renewal of the Franchise.

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 us to provide information about the actual or potential financial performance of our Franchised Businesses, 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) we provide the actual records of an existing Franchised Business You are considering buying; or (2) we supplement the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

Table 1 – AFFILIATE GROSS VOLUME - 2020-2024

Mr. Duct Cleaner’s Affiliate’s historical performance is provided here as a sole proprietor (e.g., not franchise). Mr. Duct Cleaner Affiliate has operated in the Dallas – Fort Worth, Texas, metro area for the past 15 years. During the past three years, Mr. Duct Cleaner’s Affiliate has operated one of the franchise territories, Collin County, with two crews with vans to serve this area. There is no assurance You’ll do as well. If You rely on our figures, You must accept the risk of not doing as well. We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize Our employees or representatives to make any such representations either orally or in writing.

This operation has had Annual Gross Sales as follows:

2024 - \$549,161.79
2023 -- \$595,869
2022 -- \$766,531
2021 -- \$644,009
2020 – \$485,527

Note 1: “Annual Gross Sales” is defined as all revenue received from operating the Franchised Business.

Table 2 – AFFILIATE PROFIT & LOSS - 2024

The Profit and Loss for our affiliate, Mr. Duct Cleaner Collin County, for 2024 is provided below.

Job Income

Duct Cleaning and Related Income	\$548,036.57
Product and Other Income	\$1,125.22
Total for Income	<u>\$549,161.79</u>

Cost of Goods Sold

Job Materials Purchased	\$27,602.32
Referral Fees	\$1,467.00
Subcontractors Expense	\$24,729.56
Merchant Account Fees	<u>\$4,101.11</u>
Total for Cost of Goods Sold	<u>\$57,899.99</u>

Gross Profit	<u>\$491,261.80</u>
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Expenses

Advertising and Promotion

Advertising	\$718.13
Business Meals	\$1,131.59
Business Promotions	\$113.79
Online Lead Companies	<u>\$4,830.21</u>
Total Advertising and Promotion	<u>\$6,793.72</u>

Office and Admin Expense

Office supplies, license, and admin	\$4,778.31
Dues and Subscriptions	\$2,157.24
Telephone Expense	\$3,510.13
Rent Expense	\$2,700.00
Storage Fee	<u>\$2,412.63</u>
Office and Admin Expense Total	<u>\$15,558.31</u>

Insurance Expense

Insurance (Key Man)	\$1,211.12
General Liability Insurance	\$15,430.66
Life and Disability Insurance	<u>\$519.07</u>
Total Insurance Expense	<u>\$17,160.85</u>

Fleet Expenses

Auto Insurance	\$20,013.90
Auto Repairs and Maintenance	\$9,901.38
Gas & Fuel	\$16,934.47
Tolls/Parking/Licenses	\$4,420.27
Vehicle Registration	\$211.50
Repairs and Maintenance	<u>\$2,000.00</u>
Total for Fleet Related	<u>\$53,481.52</u>

Payroll Expenses	
Payroll	\$151,367.50
Payroll Taxes	\$16,239.88
Total for Payroll Expenses	<u>\$167,607.38</u>
Professional Services	
Legal & Accounting	\$3,872.00
Total for Professional Services	<u>\$3,872.00</u>
Total for Expenses	<u>\$264,473.78</u>
EBITDA	<u>\$226,788.02</u>

There is no assurance You'll do as well. If You rely on our figures, You must accept the risk of not doing as well. Our Affiliate does not pay all of the royalties and other fees that Franchisees are required to pay. We do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize Our employees or representatives to make any such representations either orally or in writing.

Table 3 – FRANCHISE BUSINESS GROSS VOLUME - 2024

In 2024, Mr. Duct Cleaner had eleven (11) franchise territories that operated for the full fiscal year and reported Gross Volume for all periods in 2024. These 11 franchise territories were operated by six (6) franchisees. The average Gross Volume of these eleven (11) territories was \$187,313.92 and the median Gross Volume was \$157,139.76. The high territory was \$504,790.25 and the low territory was \$66,387.77.

Note 1: The Franchised Businesses included above operate under the same marks and offer the same services that you will offer. The FRANCHISEES under the Mr. Duct Cleaner Franchise System are directly responsible for all costs and expenses associated with their independently owned and operated businesses.

Note 2: Territories vary in size across the Mr. Duct Cleaner franchise system. In situations, where a franchisee reports combined Gross Volume collectively across multiple territories, We have divided the reported Gross Volume by the number of territories producing that Gross Volume.

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Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable written request. We strongly recommend that you conduct your own independent investigation to determine whether a Franchised Business may be profitable for you. The above information is only a reference point, and we strongly suggest that you make

your own analysis and prepare your own projections. We strongly encourage you to consult with your professional advisors regarding your financial projections and federal, state, and local tax and other laws that may impact the performance and operations of a Franchised Business.

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 Les Clow, CEO/Chief Duct Cleaner of Mr. Duct Cleaner Franchise Systems, Inc, 190 East Stacy Road. Suite 306-224, Allen, TX 75002, 844-444-DUCT or 469-260-6500, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 - OUTLETS AND FRANCHISEE INFORMATION

Systemwide Outlet Summary For Years 2022 to 2024

Table No. 1
System-wide 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	2022	4	7	3
	2023	7	10	4
	2024	10	11	1
Company Owned	2022	2	2	0
	2023	2	3	1
	2024	3	2	-1
Total Outlets	2022	6	9	3
	2023	9	13	4
	2024	13	13	0