

Provision		Section in Agreement	Summary
			binding arbitration in Florida. The fees and expenses of arbitration, not including attorneys' fees, generally will be shared equally by the parties. Subject to State law.
v.	Choice of forum	Franchise Agreement § 7.2	Litigation must be in the applicable federal or state court where our headquarters are located (currently, Orlando, Florida) (subject to state law).
w.	Choice of law	Franchise Agreement § 7.1	Except for claims under federal trademark law, and the parties' rights under the Federal Arbitration Act, the laws of the state of our then current National Headquarters (presently Florida) will govern (subject to state law).

ITEM 18: PUBLIC FIGURES

The Company does not use any public figure to promote its 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

The first part of Item 19 sets forth certain historical data submitted by our affiliate-owned business substantially similar to the business offered in this disclosure document.

Tables 1 and 2 show the affiliate-owned business' total billings and certain costs and expenses. The information presented is for January 1, 2024, through December 31, 2024 (the "Measurement Period"). The affiliate has been operating the business for over 10 years and operates out of a facility in Escondido, CA servicing all of San Diego County, CA (the "Primary Service Area"). The Primary Service Area encompasses a territory that is three times as large as the territory offered in this disclosure document. During the Measurement Period the affiliate also serviced select customer locations outside of the Primary Service Area.

While our affiliate reports all activity as a single business, it does track sales inside and outside of its Primary Service Area. Table 1 contains the percentage of Gross Billings generated from inside and outside the Primary Service Area during the Measurement Period. Table 2 lists the combined operation's Gross Billings, Cost of Sales and Gross Profit, and General and Administrative Expenses as well as their respective percentage of sales. The affiliate did not pay royalty, a technology fee, or make promotional fund contributions in 2024, but this Table imputes those charges to the business and reports the affiliate's Net Income after all of the presented costs and expenses.

None of our franchised locations have completed a full fiscal year of operation. However, as of the publication date of this disclosure document, six Kitchen Guard Franchised Territories have been operating for a period of at least four months, four Franchised Territories have been operating for a period of at least six months, and three Franchised Territories have been operating for a period of at least seven months. Table 3 outlines the Average and Median Gross Billings by month of operation for these Franchised Territories. For all Franchised Territories included in this chart, Month 1 refers to the first full month of operation following the completion of franchisee training.

Written substantiation of the data used in preparing this information will be made available upon reasonable request.

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

TABLE 1

The table below sets forth our Affiliate's Gross Billings for the Measurement Period generated inside and outside its Primary Service Area:

	Gross Billings	% of Gross Billings
Primary Service Area San Diego County (Three Territories)	\$ 4,056,181	76.4%
Outside of Primary Service Area	\$ 1,251,501	23.6%
TOTAL	\$ 5,307,682	100.0%

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TABLE 2

The Table below sets forth our Affiliate's Gross Billings, Cost of Sales and Gross Profit, General and Administrative Expenses, imputed Royalty, Technology Fees, and Promotional Fund Contribution, and the Affiliate's Net Income after payment of the imputed fees for the Measurement Period.

GROSS BILLINGS	Description	Percentage of Billings
KEC	\$4,125,795	77.7%
Green Steam & Vapor Clean	\$60,936	1.1%
Fees Billed & Services & Chemical/Soak Tanks	\$116,984	2.2%
Loyalty Discount	-\$46,925	-0.9%
PRIMARY BILLINGS TOTAL	\$4,256,789	80.2%
Repairs	\$328,997	6.2%
Filter Exchange	\$721,896	13.6%
TOTAL GROSS BILLINGS	\$5,307,682	100.0%
COST OF SALES AND GROSS PROFIT		
Cost of Sales Labor (Including Repair Labor)	\$1,646,795	31.0%
Supplies & Materials COS	\$243,208	4.6%
Repair/Maintenance Supplies & Subs	\$272,922	5.1%
Vehicle Fuel & Maintenance	\$8,753	0.2%
Uniforms	\$41,855	0.8%
Warehouse Labor	\$184,885	3.5%
Ops Labor, Insurance & Taxes	\$261,921	4.9%
Sales Labor, Insurance & Taxes	\$275,356	5.2%
Health Insurance ER & Benefits	\$106,644	2.0%
SUBTOTAL	\$3,042,339	57.3%
GROSS PROFIT	\$2,265,343	42.7%
GENERAL & ADMINISTRATIVE EXPENSES		
Advertising/Marketing	\$61,546	1.2%
Admin Labor, Insurance & Taxes	\$355,466	6.7%
Bank/Merchant Fees	\$3,818	0.1%
Facility Maintenance	\$77,513	1.5%
Insurance	\$34,844	0.7%
Software	\$5,284	0.1%
Rent	\$263,010	5.0%
Utilities	\$82,774	1.6%
Communications	\$52,003	1.0%
SUBTOTAL	\$936,259	17.6%
NET OPERATING INCOME	\$1,329,085	25.0%

IMPUTED FEES

Royalties to KG	\$530,768	10.0%
Tech Fees	\$5,988	0.1%
Marketing Brand Fund	\$106,154	2.0%

SUBTOTAL	\$642,910	12.1%
NET INCOME	\$686,175	12.9%

Notes:

1. Gross Billings means all revenues of the business less discounts and credits.
2. Cost of Sales means the labor, materials, and overhead directly tied to the delivery of Services.
3. Gross Profit means Gross Billings less the Cost of Sales.
4. The above figures exclude owners' salaries, freelancers, legal and other professional fees, IT consulting, collection services, travel, financing expenses, interest expense, interest income, depreciation, and amortization expenses.
5. Operating Income means Gross Profit less the disclosed General and Administrative Expenses.
6. Royalty Fee is imputed based on the royalty fee set forth in this disclosure document for each territory - 10% of annual Gross Billings up to \$1,499,999, 9% between \$1,500,000 and \$2,999,999, and 8% of above \$3,000,000.
7. The Technology fee is imputed based on \$499 per month set forth in this disclosure document.
8. Promotional Fund Contribution is imputed based on the promotional fund contribution (2%) set forth in this disclosure document.
9. Net Income after Royalties, Technology Fees, and Promotional Fund Contributions means Operating Income less those imputed expenses.
10. Operating Income and Net Income after Royalties, Technology Fees, and Promotional Fund Contributions are before interest, tax, depreciation, and amortization. You should consult with your tax advisor regarding depreciation and amortization schedules and the period over which assets of your business may be amortized or depreciated, as well as the effect, if any, of any recent or proposed tax legislation.
11. Percentages are determined by dividing the category by Gross Billings. Percentages may not add up to 100% due to rounding.

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Table 3

As none of our franchised locations have completed a full fiscal year of operation, we are unable to provide detailed annual performance data for Franchised Territories. However, as of the publication date of this disclosure document, six Kitchen Guard Franchised Territories have been operating for a period of at least four months, four Franchised Territories have been operating for a period of at least six months, and three Franchised Territories have been operating for a period of at least seven months. Table 3 below outlines the Average and Median Gross Billings by month of operation for these Franchised Territories. For all Franchised Territories included in this chart, Month 1 refers to the first full month of operation following the completion of franchisee training.

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7
Average Monthly Gross Billings by Month of Operation	\$0	\$1,215	\$3,265	\$6,483	\$4,552	\$12,368	\$13,321
High	\$0	\$5,675	\$6,756	\$12,062	\$10,702	\$26,856	\$23,821
Low	\$0	\$0	\$0	\$0	\$521	\$521	\$307
Median	\$0	\$1	\$3,362	\$6,399	\$3,492	\$11,048	\$15,836
Number of Territories in Sample	6	6	6	6	4	4	3
Number and % Above Average	-	2 / 33%	3 / 50%	3 / 50%	2 / 50%	2 / 50%	2 / 67%
Number and % Below Average	-	4 / 67%	3 / 50%	3 / 50%	2 / 50%	2 / 50%	1 / 33%
Number and % Above Median	-	3 / 50%	3 / 50%	3 / 50%	2 / 50%	2 / 50%	2 / 67%
Number and % Below Median	-	3 / 50%	3 / 50%	3 / 50%	2 / 50%	2 / 50%	1 / 33%

Notes:

1. Gross Billings means all revenues from the business, less discounts and credits billed in that month of operation.
2. Average Gross Billings by Months in Operation discloses the average Gross Billings of all Franchised Territories by month according to the number of months each Franchised Territory has been operating.
3. High discloses the highest Gross Billings from a Franchised Territory in that month of operation.
4. Low discloses the lowest Gross Billings from a Franchised Territory in that month of operation.
5. Median discloses the Median Gross Billings of all Franchised Territories according to the number of months each Franchised Territory has been operating. In calculating the median for the Franchised Territories in the table above, the two central amounts for an odd number of Franchised Territories were averaged.

6. Number of Territories in Sample discloses the number of Franchised Territories that have been operating for the designated number of months shown for each column and for whom data is included in the table.
7. Number & % Above Average refers to the number and percentage of Franchised Territories whose Gross Billings met or exceeded the Average Gross Billings for the relevant month.
8. Number & % Below Average refers to the number and percentage of Franchised Territories whose Gross Billings were less than the Average Gross Billings for the relevant month.
9. Number & % Above Median refers to the number and percentage of Franchised Territories whose Gross Billings met or exceeded the Median Gross Billings for the relevant month.
10. Number & % Below Median refers to the number and percentage of Franchised Territories whose Gross Billings were less than the Median Gross Billings for the relevant month.

General Notes to Item 19

We suggest strongly that you consult your financial advisor or personal accountant concerning the preparation of your financial projections and federal, including any applicable taxes that you may incur in operating a Franchised Business.

Other than the preceding financial performance representation, Kitchen Guard 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 the franchisor's management by contacting David Wells at Kitchen Guard Franchising, Inc., 6700 Forum Drive, Suite 150, Orlando, FL 32821 or 940-331-0740, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

The first four tables below present information for our fiscal years 2022, 2023, and 2024.

Table No. 1
SYSTEM-WIDE OUTLET
SUMMARY FOR YEARS 2022 TO 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	5	+5
Company-Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	1	1	0
	2023	1	1	0
	2024	1	6	+5

Table No. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR)
FOR YEARS 2022 TO 2024

State	Year	Number of Transfers
Total	2022	0
	2023	0
	2024	0

Table No. 3
STATUS OF FRANCHISED OUTLETS FOR YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewal	Reacquired by Franchisor	Ceased Operations—Other Reasons	Outlets at End of Year
Alabama	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Arkansas	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
Colorado	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1
District of Columbia	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	1	0	0	0	0	1