

## 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/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) a franchisor provides the actual records of an existing outlet/business 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 outlet/business or under particular circumstances.

### Gross Revenues for 2024

Quartile	Number of Qualified Franchisees	Highest Gross Revenue in Quartile	Lowest Gross Revenue in Quartile	Average Gross Revenue in Quartile	# Exceeding Average Gross Revenue in Quartile	% Exceeding Average Gross Revenue in Quartile	Median Gross Revenue in this Quartile
1 <sup>st</sup> Quartile	41	\$22,416,140	\$1,504,673	\$3,340,422	9	22%	\$2,393,334
2 <sup>nd</sup> Quartile	40	\$1,494,536	\$694,133	\$1,004,197	17	43%	\$907,858
3 <sup>rd</sup> Quartile	40	\$663,710	\$345,884	\$462,720	18	45%	\$450,904
4 <sup>th</sup> Quartile	40	\$343,238	\$13,813	\$209,711	22	55%	\$222,300
Total	161						

#### Notes to Table

- As of December 31, 2024, we had 192 total franchisees who operated 311 businesses. These franchisees generated \$206 million of total network sales. Of these total franchisees, 161 franchisees representing 262 businesses were categorized as "Qualified Franchisees" (franchisees who had operated for at least 24 months as of December 31, 2024 and who reported their Gross Revenue to us during the Reporting Period). These franchisees generated a total of \$204 million of network sales.
- This financial performance representation in the above chart covers the Gross Revenue during the 12-month period from January 1, 2024 until December 31, 2024 (the "Reporting Period") for the Franchisees who operated their businesses for the entire Reporting Period and for at least 24 months as of December 31, 2024, and who reported their Gross Revenue to us in the Reporting Period.
- This financial performance representation does not include the results of the 31 franchisees that were operating for less than 24 months as of December 31, 2024, or the 3 franchisees that closed during the Reporting Period.
- The Qualified Franchisees operate in various markets across the country. The average length of time that the Qualified Franchisees had operated under the System as of December 31, 2024, was 7.46 years.
- Some Qualified Franchisees (including 27 in the first quartile, 8 in the second quartile, 6 in the third quartile and 3 in the fourth quartile of Gross Revenue) operated multiple businesses during the Reporting Period, and 22 of the Qualified Franchisees (including 16 in the first quartile, 4 in the second quartile, 1 in the third quartile, and 0 in the fourth quartile of Gross Revenue) operated 3 or more businesses.
- Neither we nor our affiliates operate any TeamLogic IT® Businesses.

7. “Gross Revenue” is defined as all revenue from all services that a Qualified Franchisee derives from operating all of its Businesses, and includes hourly services, managed services, product resale, and professional project services, commission and agency revenue, reseller revenue and other, (cloud services, technical support, break/fix services, training, consulting services, and other technical services) whether one-time or recurring, and commissions paid by alliance partners and revenue from hardware or software sales. This excludes freight and sales tax.

8. TeamLogic IT<sup>®</sup> is a franchised service operation that relies on a business-client base that must be built over time, often from scratch. It can take 2 years or more to create an operation that offers a statistically accurate representation. Given that many franchisees do not complete the establishment of their Businesses in the first 12 months, to include operations younger than 24 months would show a distorted and unrealistic picture of business revenues. We offer certain discounts and Minimum CFF suspensions for the entire first year in recognition that this time is spent building a client base. In addition, some franchisees have converted existing independent IT service businesses into TeamLogicIT<sup>®</sup> Businesses with a full and active client base, while other franchisees are starting new businesses with no clients. These outlets present starkly different revenue profiles in their first year of operations compared to traditional, new franchises. Including only franchisees that have been operational for at least 24 months, starts to balance the inherent performance and statistical discrepancies in this aspect of the franchisees’ Gross Revenue figures.

9. Because a TeamLogic IT<sup>®</sup> Business franchisee’s revenue depends primarily on a recurring base of clients developed over a period of time, Qualified Franchisees who operate for longer periods, and/or who operate multiple TeamLogic IT<sup>®</sup> Businesses/Territories, typically realize higher (in some cases significantly higher) Gross Revenue, than Qualified Franchisees who have operated for shorter periods or who operate only one Business/Territory.

10. Each of the Qualified Franchisees offers primarily the same products and services that we expect new TeamLogic IT<sup>®</sup> Business franchisees to offer, and each receives primarily the same services from us that we expect new franchisees to receive. The Qualified Franchisees also face generally the same competition from other similar businesses that we expect new franchisees will face.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request. Prospective franchisees and sellers of franchises should be advised that no certified public accountant has audited these figures or expressed his or her opinion concerning their contents or form.

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

Other than the preceding financial performance representation, TeamLogic, 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 Thomas Muller at 26722 Plaza, Mission Viejo, California 92691, (949) 582-6300, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20.**  
**OUTLETS AND FRANCHISEE INFORMATION**  
**[Table No. 1]**  
**System-wide Outlet Summary**  
**For Years 2022, 2023 and 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	243	266	+23
	2023	266	282	+16
	2024	282	311	+29
Company-Owned	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
<b>Total Outlets</b>	<b>2022</b>	<b>243</b>	<b>266</b>	<b>+23</b>
	<b>2023</b>	<b>266</b>	<b>282</b>	<b>+16</b>
	<b>2024</b>	<b>282</b>	<b>311</b>	<b>+29</b>

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