

Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with the franchisor by mediation, arbitration and/or litigation only in Vancouver, British Columbia, Canada. Out-of-state mediation, arbitration, or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate, arbitrate, or litigate with the franchisor in Vancouver, British Columbia, Canada than in your own state.
2. **Short Operating History.** The franchisor is at an early stage of development and has a limited operating history. This franchise is likely to be a riskier investment than a franchise in a system with a longer operating history.
3. **Mandatory Minimum Payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Minimum Sales Performance Required.** You must maintain minimum sales performance levels. Your inability to maintain these levels may result in loss of any territorial rights you are granted, termination of your franchise, and loss of your investment.
5. **Financial Condition.** The Franchisor's financial condition as reflected in its financial statements (see item 21) calls into question the Franchisor's financial ability to provide services and support to you.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.



**ADDENDUM TO THE GORILLA PROPERTY SERVICES® FDD
FOR THE STATE OF MICHIGAN**

**(THE FOLLOWING APPLIES TO TRANSACTIONS GOVERNED BY
THE MICHIGAN FRANCHISE INVESTMENT LAW ONLY)**

THE STATE OF MICHIGAN PROHIBITS CERTAIN UNFAIR PROVISIONS THAT ARE SOMETIMES IN FRANCHISE DOCUMENTS. IF ANY OF THE FOLLOWING PROVISIONS ARE IN THESE FRANCHISE DOCUMENTS, THE PROVISIONS ARE VOID AND CANNOT BE ENFORCED AGAINST YOU.

Each of the following provisions is void and unenforceable if contained in any documents relating to a franchise:

- (a) A prohibition on the right of a franchisee to join an association of franchisees.
- (b) A requirement that a franchisee assent to a release, assignment, novation, waiver, or estoppel which deprives a franchisee of rights and protection provided in this act. This shall not preclude a franchisee, after entering into a franchise agreement, from settling any and all claims.
- (c) A provision that permits a franchisor to terminate a franchise prior to the expiration of its term except for good cause. Good cause shall include the failure of the franchisee to comply with any lawful provision of the franchise agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.
- (d) A provision that permits a franchisor to refuse to renew a franchise without fairly compensating the franchisee by repurchase or other means for the fair market value at the time of expiration of the franchisee's inventory, supplies, equipment, fixtures, and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This subsection applies only if:(i) the term of the franchise is less than 5 years and (ii) the franchisee is prohibited by the franchise or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising, or other commercial symbol in the same area subsequent to the expiration of the franchise or the franchisee does not receive at least 6 months advance notice of franchisor's intent not to renew the franchise.
- (e) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (f) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (g) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor's then-current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or sub-franchisor.



(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.

(h) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants to a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in subdivision (c).

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual services.

If the franchisor's most recent financial statements are unaudited and show a net worth of less than \$100,000, the franchisee may request the franchisor to arrange for the escrow of initial investment and other funds paid by the franchisee until the obligations, if any, of the franchisor to provide real estate, improvements, equipment, inventory, training or other items included in the franchise offering are fulfilled. At the option of the franchisor, a surety bond may be provided in place of escrow.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION, OR ENDORSEMENT BY THE ATTORNEY GENERAL.

Any questions regarding this notice should be directed to:

State of Michigan Department of Attorney General
G. Mennen Williams Building, 7th Floor
525 W. Ottawa Street
Lansing, Michigan 48909
Telephone Number: (517) 373-7117



General Description of Market and Competition

The general market for commercial and residential property maintenance services is well-developed and competitive. You will typically compete with other established property maintenance businesses. There are many of these competitors from large national chains to small independent operators. You may also encounter competition from other Gorilla Property Services® franchises operated by us or other franchisees outside your territory.

Laws and Regulations

You are required to follow all laws and regulations that apply to business generally. However, we are not aware of any specific laws or regulations that govern this industry. You should also be aware of federal, state, and local environmental laws about the disposal of waste materials and packaging. You may be required by local law to participate in a recycling program, which may require that you register and make ongoing fee payments.

The details of state, county and local laws and regulations vary from place to place. It is your responsibility to research these matters. Please be aware that the changes in these laws may increase the cost to operate your business.

**ITEM 2
BUSINESS EXPERIENCE**

NAME	Company Name and Location	POSITION	FROM
Andrew Edwards	Gorilla Franchise USA, BC, Canada	President	March 30, 2021 - <u>Present</u>
	Gorilla Franchise Services Ltd., BC, Canada	President	March 30, 2021 - <u>Present</u>

**ITEM 3
LITIGATION**

No litigation is required to be disclosed in this item.

**ITEM 4
BANKRUPTCY**

No bankruptcy is required to be disclosed in this item.

**ITEM 5
INITIAL FEES**

Initial Franchise Fee

The initial franchise fee depends on the number of territories purchased according to the following table. The initial franchise fee must be paid in one lump sum upon signing the franchise agreement.

First Territory	\$49,500
Second Territory	\$40,000
Third Territory	\$35,000
Fourth and Each Subsequent Territory	\$30,000

Each territory will have a population of approximately 200,000 people. However, if you would like to add an area to a territory but do not want to purchase an additional territory, the initial franchise fee is \$0.25 per additional person in the desired area.



TYPE OF EXPENDITURE	AMOUNT	METHOD OF PAYMENT	WHEN DUE	TO WHOM PAYMENT IS TO BE MADE
Additional funds – 3 months ¹¹	\$3,500 - \$16,500	As incurred	As incurred	Suppliers, employees, etc.
TOTAL ¹²	\$128,950 - \$214,500			

NOTES

¹ Initial Franchise Fee. The initial franchise fee is non-refundable, and we do not finance any portion of the fee. To honor those men and women who have served our country in the U.S. Armed Forces, we offer a 10% discount off the initial franchise fee, contingent upon verification of honorable separation. Veteran ID cards, a DD-214, and other documentation will be required to provide proof of honorable discharged status

² Training. You are responsible for paying all travel, lodging, food, and other expenses for your attendees during training, directly to the vendor (hotels, airlines, restaurants, car rental companies, etc.). We estimate that you will have two people attend training, but you can have up to 4 people without paying a training fee to us. These costs will vary widely as a function of the distance traveled and the choice of accommodations, meals, and transportation.

³ Set-Up Fee. If you ~~purchase~~ purchase from another franchisee, or if we consent to ~~the~~ you acquiring mandatory equipment from other sources, it may cost more or less. We are not obligated to offer you a business on a fully equipped basis. The set-up fee range is dependent on whether you choose to lease or purchase a skid.

⁴ Vehicle. You are required to have a van that is wrapped before you open your business. The low estimate assumes you have a van that only needs to be wrapped, and the high estimate assumes you choose to purchase a van. The van must be in good condition and repair with no external damage or unreasonable wear and tear, must not be more than 10 years old, must accommodate all the equipment needed in your franchise business, and be approved by us. You may also purchase an enclosed trailer, which must be approved by us, to carry and store your equipment.

⁵ Additional Equipment and Tools. Most of the tools and equipment necessary to begin operating your Gorilla Property Services® franchise business is provided as part of the set-up fee. However, you must purchase a ladder and compressor and the range includes the estimated cost for these additional items.

⁶ Tablet and Smartphone, Hardware and Software. Your smartphone or tablet may be purchased or leased but must be compatible with our proprietary software, which is provided as part of your set-up package. For more information about your smartphone, tablet, hardware and software requirements see Item 11.

⁷ Miscellaneous Costs. These miscellaneous costs include utility set up fees, deposits, licenses, and other miscellaneous startup costs.

⁸ Professional Fees. These costs include legal fees, business entity organization, and accounting fees. Rates for professionals can vary significantly based on locale, area of expertise, and experience.

⁹ Insurance. These costs include monthly premium costs for the required insurances. The cost of insurance may vary depending on the insurer, the location of your franchise business, and your claims history.

¹⁰ Grand Opening Advertising. This estimates the cost of advertising for pre-opening and grand opening, plus the first 3 months of operations. This is all included as part of the initial grand opening marketing fee paid to us upon signing the franchise agreement. You are not required to advertise locally. However, if you do undertake local advertising or create any marketing materials, we must approve it in writing.



We do not offer direct or indirect financing. We do not guarantee your note, lease or obligation.

ITEM 11 FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, Gorilla Franchise Services USA is not required to provide you with any assistance.

Pre-Opening Assistance

Before you open your franchise business, we or a third party appointed by us will:

- 1) Designate your territory [franchise agreement section 1.1].
- 2) Make available general written specifications for necessary equipment, signs, fixtures, opening inventory, supplies and other items listed in Item 8. Unless we are an approved supplier of an item and you purchase the item directly from us, we do not provide these items to you directly, but we do provide you with the names of the approved suppliers for these items. We do not assist in the delivery or installation of any of these items. For purchase, delivery and installation, you are required to work directly with the manufacturer or supplier of these items [franchise agreement section 7.1].
- 3) Provide you with the specifications and/or vendor for the vehicle wrap [franchise agreement section 7.1].
- 4) Loan you a copy or provide electronic access to our confidential manuals containing mandatory policies, operating procedures, and other information. The manuals are confidential, will remain our property, and may be used by you only in association with your Gorilla Property Services® franchise business and only during the term of the franchise agreement. You must keep the contents of all manuals confidential. The master copy of the manuals maintained by us will control in the event of a dispute relative to the contents of the manuals. You may not copy any part of the manuals either physically or electronically. The table of contents of the operations manual is included as Exhibit "F" to this disclosure document. Our operations manual is approximately 27 pages [franchise agreement article IX].
- 5) Provide an initial training program for your operating principal and managers, described at the end of this Item 11 [franchise agreement paragraph 6.1.4].

Lease, Construction and Commencing Operations

The majority of our franchisees operate from a home office. If you choose to have an office outside of your home, you choose the site and you do not need our approval for an office location, but the office must be located within your territory. **We do not approve or review your office location or any lease.** You must give us at least 14 days written notice before opening your franchise business [franchise agreement section 4.2].

Estimated Length of Time Before Operation

It is estimated that the length of time between the signing of the franchise agreement with the accompanying payment of the initial franchise fee and the opening of your franchise business is 45 to 60 days. Factors affecting this length of time usually include training, hiring employees, and delivery and installation of equipment.

Assistance During Operation



- Reporting of sales
- Employee timekeeping
- Tracking of costs and costs of goods sold
- Customer database
- Calendaring
- Online ordering
- Gift card tracking
- Credit card payment

The estimated cost of purchasing or leasing the smartphone or tablet is between \$2,000 and \$3,500. We will have independent access to the information and data collected or generated through GorillaPro, our required software system. We can require you to obtain a static IP address from your internet provider. There are no contractual limits on our rights to do so. You must keep these systems available for our access 24 hours a day, 7 days a week. All data collected or provided by you, downloaded from your smartphone or tablet, or otherwise collected from you by us or provided to us, is and will be owned exclusively by us, and we have the right to use the data in any manner without compensation to you [franchise agreement paragraph 6.1.12].

We may require updates and upgrades to your hardware and software at your expense during the term of the franchise agreement. There are no contractual limitations on our right to do so. We estimate the annual costs to maintain, upgrade and support your smartphone or tablet system to be \$500 and is included with subscription fees. We are not required to maintain, repair, update and/or upgrade your smartphone, tablet or software systems. There are no contractual limitations to the frequency and cost of the obligation to upgrade and maintain the smartphone, tablet, or software systems [franchise agreement paragraph 6.1.12]. For defective equipment, products, software or other items purchased by you, you must deal directly with that manufacturer [franchise agreement section 8.6]. Upgrades and support for all software and hardware are required to be obtained from the vendor [franchise agreement paragraph 6.1.11].

Loyalty Programs

If we implement a loyalty, discount, ~~or~~ membership, or subscription program, you will be required to participate. With our prior written consent, you may be allowed to implement a similar program for your franchise business. The method of sales and pooling and reconciling the funds for all such programs will be determined by us as set forth in the manuals [franchise agreement paragraph 6.2.2(ii)].

Accounting

We also require you to use the online versions of the QuickBooks accounting system. Currently, QuickBooks has a monthly subscription fee between \$38 and \$275 per month, which includes annual updates to the software. Upon our written request, we require that you provide us with independent view-only access to your account. You will be required to follow our accounting procedures and line items, including standardized profit and loss statement templates, balance sheet templates, and charts of account as we may designate [franchise agreement section 5.5 and paragraph 6.1.12(i)]. We can change the required accounting software at our discretion.

Initial Training

We provide an initial training program. The initial training program is held both online and at a US-based training facility, or another place designated by us. The training program is held as often as needed. The length of training depends on the prior experience of your attendees but should last approximately 4 to 6 days. Your operating principal and at least one other person with industry experience who will act as your manager, are required to attend and successfully complete the initial training program [franchise agreement paragraph 6.1.4].

Your “operating principal” is: a) if the franchisee is an individual, that individual; or b) if the franchisee is an entity, an individual that owns at least 20% of the ownership and voting interests in the franchisee entity (unless you obtain our written approval of a lower percentage), has authority over all business decisions



(v) AMPL in the fifth 12 months: \$250,000

In addition, you are required to achieve a minimum of \$850,000 in revenues per territory over the first five years. If you do not achieve the minimum AMPL or revenue in each territory under your franchise agreement, you will be given a notice of default and a six-month period to cure by being on pace to achieve the minimum gross sales during the following six-month period. If You do not cure within the six-month cure period, we have the right to (a) terminate your franchise; (b) terminate your right to the failing territory(ies) while allowing you to maintain the other territory(ies); (c) allow you to continue to operate your franchise under the terms of the franchise agreement while we sell your franchise; or (d) allow another or additional franchisee to operate in the territory(ies). If we broker the sale of your franchise or territory(ies), we will be entitled to a fee equal to 25% of the sales price to compensate us for time and expenses to broker the sale of your franchise or territory(ies). You or the buyer will also be required to pay the transfer fee and training fee to train the new franchisee [franchise agreement paragraph 1.1.4(i) and (ii)].

Advertising Within and Outside the Territory

You may not engage in direct advertising outside your territory and other franchisees may not engage in direct advertising within your territory.

Servicing Customers Within and Outside the Territory

You cannot provide services to any customers within another franchisee's territory or territory serviced by a corporate unit. However, you may provide services to customers outside of your territory if such territory has not been granted to another franchisee or is not an area serviced by a corporate unit and you have our written approval. Nonetheless, at our discretion, we may revoke our approval to service customers outside your territory upon 30 days' prior written notice, and no course of conduct outside your territory will be construed as expanding your territory.

Options to Acquire Additional Franchises

You do not receive the right or option to acquire additional franchises.

Our Rights and Your Rights to Use Channels of Distribution in Your Territory

We reserve the right to develop other programs or business models and you understand and agree that we do not have any obligation to offer those programs or business models to you except as developed for the system.

We and our affiliate reserve the right to market, sell, and distribute products and services under the Gorilla Property Services® brand and other brands both within and outside your territory using distribution channels, such as through the Internet, websites, social media, apps, direct marketing, telemarketing, catalogs, national accounts, co-branding with other outlets, etc. We do not pay you for soliciting or accepting orders for any products or services under the Gorilla Property Services® brand through these channels inside your territory. You do not have the right to sell products or services through other channels of distribution, including the Internet, apps, or social media.

Our Previous Activities in Your Territory

In the past, we or an affiliate have used one or more of the following distribution channels to sell and distribute products and services in your territory under the Gorilla Property Services® brand: websites, apps, social media, direct marketing.

~~You do not have the right to sell products or services through other channels of distribution, including the Internet, apps, or social media.~~



Provision	Section in Franchise or other Agreement	Summary
t. Integration / merger clause	Section 20.10	Only the terms of the franchise agreement are binding (subject to state law). Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in this franchise disclosure document, its exhibits and amendments. Any representations or promises made outside of the franchise disclosure document and other agreements may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 17.2	Except for certain claims, for all disputes there must be a face-to-face meeting, mediation and arbitration.
v. Choice of forum	Sections 17.2 and 19.2	All dispute resolution must be held in Vancouver, British Columbia, Canada or the city and province where our then-current headquarters is located (subject to applicable state law).
w. Choice of Law	Sections 19.1 and 19.5	British Columbia, Canada law, Convention on the Recognition and Enforcement of Foreign Arbitral Awards, the International Commercial Arbitration Act, and the United States Trademark Act apply (subject to applicable state law).

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 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.

The below table is an historic performance representation for 32 of our Canadian-based franchisees that were open and operating for the full 2024 calendar year as of December 31, 2024. 6 Canadian-based franchisees signed franchise agreements in 2024 and because they were not open for the entire calendar year, are not included in this Item 19. We also have not included information on our single US-based franchisee located in Henderson, Nevada because this franchise was signed as a test market and is not required to report or pay royalties; therefore, there is no information from which we can base a financial performance representation.

The table sets forth the total, average, median, highest, and lowest Gross Revenue figures for 2024. Canadian franchisees operate businesses that are substantially similar to those that will open in the U.S., with substantially similar performance results, and parity pricing per service, (e.g. \$250 CAD and \$250 USD for the same service), and no material differences between the data of the two groups other than the currency and potential tax rate differences.



Two of our franchisees own multiple territories but report one sales number to us for all of their territories. Of these two franchisees, both own two territories each. Each of these franchisees' total sales have been represented as a single franchise location for purposes of the tables below, and have been represented in a single table, as Table No. 2.

~~We have provided you with information to help you make a more informed decision about our franchisees. You should conduct your own research to assist you in preparing projections for your own Franchised Business.~~

All dollar amounts are presented in CAD and ~~not~~ USD. Canadian dollar amounts reflect actual figures as of December 31, 2024. U.S. Dollar (USD) amounts have been converted from CAD using the exchange rate in effect on Dec 12, 2025, of 0.72 USD.

Canadian Franchisees
January 2024 through December 2024

Table No. 1

	<u>CAD</u>	<u>USD</u>
<u>Number of franchisees in range</u>	<u>32</u>	<u>32</u>
<u>Total gross revenue</u>	<u>\$10,028,981.01</u>	<u>\$7,242,098</u>
<u>Gross Revenue per Franchisee</u>		
<u>Average gross revenue including multi-unit owners reporting one total number</u>	<u>\$313,405.66</u>	<u>\$226,316</u>
<u>Median gross revenue including multi-unit owners reporting one total number</u>	<u>\$221,368.06</u>	<u>\$159,854</u>
<u>Number and percent of franchisees at or above average gross revenue</u>	<u>9/28%</u>	
<u>Highest gross revenue</u>	<u>\$1,305,911.57</u>	<u>\$943,021</u>
<u>Lowest gross revenue</u>	<u>\$52,187.00</u>	<u>\$37,685.10</u>
<u>Average gross revenue of top 25%</u>	<u>\$662,547.82</u>	<u>\$478,437</u>
<u>Median gross revenue of top 25%</u>	<u>\$535,061.78</u>	<u>\$386,377</u>
<u>Number and percent of franchisees at or above average of top 25%</u>	<u>4/50%</u>	
<u>Highest gross revenue of top 25%</u>	<u>\$1,305,911.57</u>	<u>\$943,021</u>
<u>Lowest gross revenue of top 25%</u>	<u>\$465,900.78</u>	<u>\$336,435</u>
<u>Average gross revenue of bottom 25%</u>	<u>\$129,270.21</u>	<u>\$93,348.2</u>
<u>Median gross revenue of bottom 25%</u>	<u>\$144,808.43</u>	<u>\$104,569</u>
<u>Number and percent of franchisees at or above average of bottom 25%</u>	<u>6/75%</u>	
<u>Highest gross revenue of bottom 25%</u>	<u>\$165,632.01</u>	<u>\$119,606</u>
<u>Lowest gross revenue of bottom 25%</u>	<u>\$52,187.00</u>	<u>\$37,685.10</u>



The below chart represents Gross Revenue figures for two of our franchisees with multiple territories. Each franchisee owns two territories. One franchisee had a territory reporting revenue for the full year and the other territory is for 11 months of revenue. The other franchisee had a territory reporting revenue for the full year and the other territory is for 5 months of revenue.

Canadian Franchisees -2 Multi-Unit Combined Figures
January 2024 through December 2024

Table No. 2

	<u>CAD</u>	<u>USD</u>
<u>Number of franchisees in range</u>	<u>2</u>	<u>2</u>
<u>Total gross revenue</u>	<u>\$407,430.76</u>	<u>\$295,397</u>
<u>Gross Revenue</u>		
<u>Average gross revenue for multi-unit owners reporting one total number</u>	<u>\$203,715.38</u>	<u>\$147,698</u>
<u>Median gross revenue including multi-unit owners reporting one total number</u>	<u>\$203,715.38</u>	<u>\$147,698</u>
<u>Number and percent of franchisees at or above average gross revenue</u>	<u>1/50%</u>	
<u>Highest gross revenue</u>	<u>\$211,954.76</u>	<u>\$153,672</u>
<u>Lowest gross revenue</u>	<u>\$195,476.00</u>	<u>\$141,725</u>

The following two tables (Table No. 3 and Table No. 4) are an historical representation based on data for 6 of our franchisees. We requested profit and expense information from all of our Canadian franchisees, and only 6 sent back complete information and we have used that information. Of the 6 franchisees, 2 have been in business for 6 years, 3 have been in business for 5 years, and 1 has been in business for 18 months. We are providing all the information provided to us and represents the entire subset of respondents. The information is for the time period of January 1, 2024, through December 31, 2024.

The first table represents the gross profit margin for the 6 franchisees and the second table shows the average and median p&l for the same 6 franchisees.

Table No. 3

<u>Gross Profit Margin</u>		
	<u>CAD</u>	<u>USD</u>
<u>Average gross profit margin</u>	<u>49%</u>	
<u>Median gross profit margin</u>	<u>49%</u>	
<u>Number and percent franchisees at or above average gross profit margin</u>	<u>4/67%</u>	
<u>High in calculating the average gross profit margin</u>	<u>\$1,321,184</u>	<u>\$957,889</u>
<u>Low in calculating the average gross profit margin</u>	<u>\$300,650 CAD</u>	<u>\$217,978 USD</u>



Table No. 4

January 1, 2024 – December 31, 2024		
PROFIT & LOSS		
	Average	Median
Total Income	\$666,233 CAD \$483,034 USD	\$512,827 CAD \$371,811 USD
High income used to calculate average: \$1,321,184 CAD/\$957,889 USD		
Low income used to calculate average: \$300,650 CAD/\$217,978 USD		
Number and percent of franchisees at or above average total income: 2/33%		
Cost of Goods Sold	\$346,508 CAD/\$251,226 USD	\$267,064 CAD/\$193,628 USD
High cost of goods sold: \$207,120 CAD/\$150,167 USD		
Low cost of goods sold: \$40,981 CAD/ \$29,712.2 USD		
Number and percent of franchisees at or above average COGS: 2/33%		
Gross Profit	\$319,724 CAD/ \$231,807	\$245,763 CAD/ \$178,184
High gross profit: \$781,433 CAD/ \$566,557 USD		
Low gross profit: \$152,236 CAD/ \$110,375 USD		
Number and percent of franchisees at or above average gross profit: 2/33%		
Expenses		
Bank Fees & Service Charges	\$7,006 CAD/ \$5,079.51 USD	\$4,696 CAD/ \$3,404.71 USD
High bank fees: \$11,847 CAD/ \$ 8,589.35 USD		
Low bank fees: \$1,529 CAD/ \$1,108.56 USD		
Number and percent of franchisees at or above average bank fees & service charges: 3/50%		
Advertising Fund	\$5,324 CAD/ \$3,860.02 USD	\$4,865 CAD/ \$3,527.24 USD
High advertising: \$7,176 CAD/ \$5,202.77 USD		
Low advertising: \$4,788 CAD/ \$3,471.41 USD		
Number and percent of franchisees at or above average advertising fund: 1/17%		
Royalties	\$35,919 CAD/ \$26,042.1 USD	\$28,672 CAD/ \$20,787.90 USD
High royalties: \$59,403 CAD/ \$43,068.50 USD		
Low royalties: \$15,265 CAD/ \$11,067.50 USD		
Number and percent of franchisees at or above average royalties: 2/33%		
Insurance	\$11,360 CAD/ \$8,236.26 USD	\$8,559 CAD/ \$6,205.47 USD
High insurance: \$21,426 CAD/ \$15,534.30 USD		
Low insurance: \$366 CAD/ \$265.36 USD		
Number and percent of franchisees at or above average insurance: 3/50%		
Legal & Accounting Services	\$8,520 CAD/ \$6,177.20 USD	\$8,489 CAD/ \$6,154.72 USD
High legal & accounting: \$12,099 CAD/ \$8,772.05 USD		
Low legal & accounting: \$2,850 CAD/ \$2,066.32 USD		
Number and percent of franchisees at or above average legal & accounting: 3/50%		
Licenses & Permits	\$140 CAD/ \$101.50 USD	\$120 CAD/ \$87.00 USD
High licenses & permits: \$599 CAD/ \$434.29 USD		
Low licenses & permits: \$0 CAD/ \$0 USD		
Number and percent of franchisees at or above average licenses & permits: 2/33%		
Office Supplies	\$7,327 CAD/ \$5,312.24 USD	\$7,618 CAD/ \$5,523.23 USD
High office supplies: \$14,759 CAD/ \$10,700.60 USD		
Low office supplies: \$950 CAD/ \$688.77 USD		
Number and percent of franchisees at or above average office supplies: 3/50%		
Telephone & Call Centre	\$4,288 CAD/ \$3,108.90 USD	\$2,344 CAD/ \$1,699.45 USD
High phone & call centre: \$7,440 CAD/ \$5,394.17 USD		
Low phone & call centre: \$1,699 CAD/ \$1,231.81 USD		
Number and percent of franchisees at or above average phone & call centre: 3/50%		



Auto	\$47,071 CAD/ \$34,127.60 USD	\$36,080 CAD/ \$26,158.8
High auto: \$151,159 CAD/ \$109.59 USD		
Low auto: \$6,919 CAD/ \$5,016.43 USD		
Number and percent of franchisees at or above average auto: 2/33%		
Uniforms	\$846 CAD/ \$613.37 USD	\$1,385 CAD/ \$1,004.16 USD
High uniform: \$2,770 CAD/ \$2,008.31 USD		
Low uniform: \$0 CAD/ \$0 USD		
Number and percent of franchisees at or above average uniforms: 2/33%		
Small Tools & Supplies	\$11,090 CAD/ \$8,040.51 USD	\$5,759 CAD/ \$4,175.41 USD
High tools & supplies: \$20,930 CAD/ \$15,174.70 USD		
Low tools & supplies: \$0 CAD/ \$0 USD		
Number and percent of franchisees at or above average tools & supplies: 3/33%		
Total Expenses	\$138,891 CAD/ \$100,699 USD	\$108,587 CAD/ \$78,728.10 USD
Net Income	\$180,834 CAD/ \$131,109 USD	\$137,176 CAD/ \$99,455.80 USD
High net income used to calculate average: \$509,947.39 CAD/ \$369,724 USD		
Low net income used to calculate average: \$58,811.20 CAD/ \$42,639.50 USD		
Number and percent of franchisees at or above average net income: 1/17%		

The following table shows a 5-year growth chart and includes revenue for each calendar year since 2020. We have included revenue for 2025 through September. Since December 2024, our Canadian system has increased from 32 franchisees to 43 active franchisees.

Table No. 5

5 Year Growth Chart			
<u>Year</u>	<u>Revenue (in CAD)</u>	<u>Revenue (in USD)</u>	<u>% Increase over last year</u>
<u>2020</u>	<u>\$3,054,289</u>	<u>\$2,214,430</u>	<u>68%</u>
<u>2021</u>	<u>\$4,633,991</u>	<u>\$3,359,750</u>	<u>52%</u>
<u>2022</u>	<u>\$6,982,003</u>	<u>\$5,062,113</u>	<u>51%</u>
<u>2023</u>	<u>\$8,765,834</u>	<u>\$6,355,431</u>	<u>26%</u>
<u>2024</u>	<u>\$10,573,974</u>	<u>\$7,666,374</u>	<u>21%</u>
<u>2025 (as of Nov 30, 2025)</u>	<u>\$12,053,549</u>	<u>\$8,739,100</u>	

**Canadian Franchisees
January 2024 through December 2024**

Number of franchisees in range	32
Total gross revenue	\$10,028,981.01
Gross Revenue per Franchisee	
Average gross revenue including multi-unit owners reporting one total number	\$313,405.66
Median gross revenue including multi-unit owners reporting one total number	\$221,368.06



Number and percent of franchisees at or above average gross revenue	9/28%
Highest gross revenue	\$1,305,911.57
Lowest gross revenue	\$52,187.00
Average gross revenue of top 25%	\$662,547.82
Median gross revenue of top 25%	\$535,061.78
Number and percent of franchisees at or above average of top 25%	4/50%
Highest gross revenue of top 25%	\$1,305,911.57
Lowest gross revenue of top 25%	\$465,900.78
Average gross revenue of bottom 25%	\$129,270.21
Median gross revenue of bottom 25%	\$144,808.43
Number and percent of franchisees at or above average of bottom 25%	6/75%
Highest gross revenue of bottom 25%	\$165,632.01
Lowest gross revenue of bottom 25%	\$52,187.00

The following two tables are an historical representation based on data for 6 of our franchisees. We requested profit and expense information from all of our Canadian franchisees, and only 6 sent back complete information and we have used that information. Of the 6 franchisees, 2 have been in business for 6 years, 3 have been in business for 5 years, and 1 has been in business for 18 months. We are providing all the information provided to us and represents the entire subset of respondents. The information is for the time period of January 1, 2024, through December 31, 2024.

The first table represents the gross profit margin for the 6 franchisees and the second table shows the average and median p&l for the same 6 franchisees.

Gross Profit Margin	
Average gross profit margin	49%
Median gross profit margin	49%
Number and percent franchisees at or above average gross profit margin	4/67%
High in calculating the average gross profit margin (in CAD)	\$1,321,184
Low in calculating the average gross profit margin (in CAD)	\$300,650



January 1, 2024 – December 31, 2024		
PROFIT & LOSS		
	CAD Average	CAD Median
Total Income	\$666,233	\$512,827
High income used to calculate average: \$1,321,184		
Low income used to calculate average: \$300,650		
Number and percent of franchisees at or above average total income: 2/33%		
Cost of Goods Sold	\$346,508	\$267,064
High cost of goods sold: \$207,120		
Low cost of goods sold: \$40,981		
Number and percent of franchisees at or above average COGS: 2/33%		
Gross Profit	\$319,724	\$245,763
High gross profit: \$781,433		
Low gross profit: \$152,236		
Number and percent of franchisees at or above average gross profit: 2/33%		
Expenses		
Bank Fees & Service Charges	\$7,006	\$4,696
High bank fees: \$11,847		
Low bank fees: \$1,529		
Number and percent of franchisees at or above average bank fees & service charges: 3/50%		
Advertising & Marketing	\$11,336	\$10,088
High advertising: \$16,919		
Low advertising: \$6,350.71		
Number and percent of franchisees at or above average advertising & marketing: 3/50%		
Royalties	\$35,919	\$28,672
High royalties: \$59,403.28		
Low royalties: \$15,264.74		
Number and percent of franchisees at or above average royalties: 2/33%		
Insurance	\$11,360	\$8,559
High insurance: \$21,426		
Low insurance: \$366		
Number and percent of franchisees at or above average insurance: 3/50%		
Legal & Accounting Services	\$8,520	\$8,489
High legal & accounting: \$12,099		
Low legal & accounting: \$2,850		
Number and percent of franchisees at or above average legal & accounting: 3/50%		
Licenses & Permits	\$140	\$120
High licenses & permits: \$599		
Low licenses & permits: \$0		



	Number and percent of franchisees at or above average licenses & permits: 2/33%	
Meals & Entertainment	\$2,296	\$3,329
High meals & entertainment: \$5,135		
Low meals & entertainment: \$517		
Number and percent of franchisees at or above average meals & entertainment: 3/50%		
Office Supplies	\$7,327	\$7,618
High office supplies: \$14,759		
Low office supplies: \$950		
Number and percent of franchisees at or above average office supplies: 3/50%		
Travel	\$10,138	\$10,362
High travel: \$22,970		
Low travel: \$0		
Number and percent of franchisees at or above average travel: 2/33%		
Telephone & Call Centre	\$4,288	\$2,344
High phone & call centre: \$7,440		
Low phone & call centre: \$1,699		
Number and percent of franchisees at or above average phone & call centre: 3/50%		
Auto	\$47,074	\$36,080
High auto: \$151,159		
Low auto: \$6,919		
Number and percent of franchisees at or above average auto: 2/33%		
Uniforms	\$846	\$1,385
High uniform: \$2,770		
Low uniform: \$0		
Number and percent of franchisees at or above average uniforms: 2/33%		
Small Tools & Supplies	\$11,090	\$5,759
High tools & supplies: \$20,930		
Low tools & supplies: \$0		
Number and percent of franchisees at or above average tools & supplies: 3/33%		
Total Expenses	\$157,336	\$127,502
Net Income	\$162,388	\$118,261
High net income used to calculate average: \$474,846		
Low net income used to calculate average: \$49,054.15		
Number and percent of franchisees at or above average net income: 1/17%		

The following table shows a 5-year growth chart and includes revenue for each calendar year since 2020. We have included revenue for 2025 through September. Since December 2024, our Canadian system has increased from 32 franchisees to 43 active franchisees.

5-Year Growth Chart



Year	Revenue (in CAD)	% Increase over last year
2020	\$ 3,054,289	68%
2021	\$ 4,633,991	52%
2022	\$ 6,982,003	51%
2023	\$ 8,765,834	26%
2024	\$ 10,573,974	21%
2025 (as of Nov 30, 2025)	\$ 12,053,549	

NOTES: Unless otherwise specified, the following definitions apply in this Item 19:

- ~~“Gross Revenue” means the total of all sales of all goods and services sold, traded, bartered, or rendered by you and income of every kind and nature, Including the value of a trade or other bartering, arising from your franchise business and tangible property of every kind sold by you during the term of the franchise agreement. Gross Revenue also includes insurance proceeds and/or condemnation awards for loss of sales, profits, or business. “Gross Revenue” excludes bona fide credits or returns and excludes amounts paid by you for sales or use taxes on the sale of any products or services. “Gross Revenue” means the actual gross revenues billed to consumers for products and services less taxes collected, and credits or refunds given in accordance with the Franchisor’s refund policy.~~
- “Gross Profit ~~Margin~~” means the percentage of Gross Revenue remaining after subtracting the following from Gross Revenue: labor costs, royalties, and sales center, marketing fees, and technology fees. Material costs (including Christmas lights) are not included in the definition of “Gross Profit ~~Margin~~.”
- “Average” means the sum of all data points in a set, divided by the number of data points in that set.
- “Median” means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the 2 numbers in the middle, adding them together, and dividing by 2.
- “Net Income” means the profit after expenses.
- “Total Income” means income before any expenses.
- The earnings claims figures do not reflect the 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 franchise business. Franchisees or former franchisees listed in this disclosure document, may be one source of this information.

Some franchises have earned this amount. Your individual results may differ. There is no assurance you will earn as much.

~~The financial performance representations do not reflect the 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 franchise business. Franchisees or former franchisees listed in this disclosure document, may be one source of this information.~~

The information in this Item 19 was taken from financial statements from our Canadian franchisees. Written substantiation for the financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representation, Gorilla Franchising USA, 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 Chrystal O'Leary –Accounting, Gorilla Franchising USA, Inc., 778-688-5306, chrystal@cobooks.ca, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1
Systemwide Outlet Summary
For Years 2023 to 2025**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised ¹	2023	1	1	+0
	2024	1	1	+0
	2025	1	1	+0
Company Owned	2023	0	0	+0
	2024	0	0	+0
	2025	0	0	+0
Total Outlets	2023	1	1	+0
	2024	1	1	+0
	2025	1	1	+0

¹ This is a test market franchisee and is treated differently than you would be treated and has different requirements than you will have.

**Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor)
For Years 2023 to 2025**

State	Year	Number of Transfers
Total	2023	0
	2024	0
	2025	0

**Table No. 3
Status of Franchised Outlets
For Years 2023 to 2025**



SCHEDULE 2

ADDENDUM TO THE DISCLOSURE DOCUMENT FOR THE STATE OF HAWAII

1. The Hawaii franchise investment law requires that a copy of all proposed agreements relating to the sale of the franchise be delivered together with the disclosure document.

2. Hawaii Revised Statutes, Title 26, Chapter 482E, Section 482E-6 provide rights to the franchisee concerning termination or non-renewal of a franchise. If the franchise agreement contains a provision that is inconsistent with Hawaii law, the law will control.

3. The franchise agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law (1.1 U.S.C.A. Sec. 101 et seq.)

4. The franchise agreement contains a covenant not to compete which extends beyond the termination of the franchise. This provision may not be enforceable under Hawaii law.

5. The franchise agreement requires application of the laws of the State of Utah. This provision may not be enforceable under Hawaii law.

6. The franchise agreement requires *you* to purchase certain goods from designated sources of supply. This provision may not be enforceable under Hawaii law unless such restrictive purchasing agreements are reasonably necessary for a lawful purpose justified on business grounds.

7. Upon termination or refusal to renew the franchise, Hawaii law requires that the franchisee be compensated for the fair market value of the franchisee's inventory, supplies, equipment and furnishings purchased from the franchisor or a supplier designated by the franchisor; provided that personalized materials which have no value to the franchisor need not be compensated for. If the franchisor refuses to renew a franchise for the purpose of converting the franchisee's business to one owned and operated by the franchisor, the franchisor, in addition to the remedies provided in this paragraph, shall compensate the franchisee for the loss of goodwill. The franchisor may deduct from such compensation reasonable costs incurred in removing, transporting and disposing of the franchisee's inventory, supplies, equipment, and furnishings pursuant to this requirement, and may offset from such compensation any monies due the franchisor.

8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

9. The disclosure document and franchise agreement are amended to conform to the following: "Payment of all initial franchise fees owed to the franchisor, or its affiliate, by the franchisee shall be deferred until after all initial obligations owed to the franchisee under the Franchise Agreement or other agreements have been fulfilled by the franchisor and the franchisee has commenced doing business."

Effective Date _____



ADDENDUM TO THE FDD FOR THE STATE OF ILLINOIS

Illinois law governs the franchise agreement(s).

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Your rights upon Termination and Non-Renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

By reading this disclosure document, you are not agreeing to, acknowledging, or making any representations whatsoever to the Franchisor and its affiliates.

Item 5 of the Disclosure Document is amended to add the following:

The franchisor has agreed to post a \$49,500 surety bond. This surety bond requirement is imposed by the Illinois Attorney General's Office based on the franchisor's financial condition.



STATE FDD ADDENDUM FOR THE STATE OF MARYLAND

ITEM 17 of the Disclosure Document is amended to add the following:

- The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.
- A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.
- The franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its rights to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legal enforceable.
- Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.
- The Franchise Agreement provides for termination upon bankruptcy. This provision may not be enforceable under federal bankruptcy law.
- No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

ITEM 5 of the Disclosure Document is amended to add the following:

The franchisor has agreed to post a surety bond pursuant to § 14-217 of the Maryland Franchise Law, as a condition of its registration to offer and sell franchises in Maryland.



STATE REGULATIONS FOR THE STATE OF MINNESOTA

THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING.

THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7 DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

Minnesota statute ~~Sec.~~ 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
4. Minnesota Rule Part 2860.4400D prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
5. The disclosure document and franchise agreements are hereby amended to exclude from any release requirements the release of claims under Minnesota Franchise Law.
6. Any limitation of claims must comply with Minn. Stat. ~~Sec.~~ 80C.17, subdivision 5.



7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a), which puts a cap of \$30 on service charges.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.
9. Items 5 and 7 of the Disclosure Document is amended to add the following: “The franchisor has agreed to post a surety bond pursuant to the Minnesota Franchise Act, as a condition of its registration to offer and sell franchises in Minnesota.”

Franchisee (Signature)



STATE REGULATIONS FOR THE STATE OF NORTH DAKOTA

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Item 17 of the Disclosure Document is amended as follows:
 - No general release shall be required as a condition of renewal and/ or transfer which is intended to exclude claims arising under North Dakota Franchise Investment Law Section 51-19-09.
 - In case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorneys' fees.
 - The statute of limitations under North Dakota Law will apply.
 - Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
 - A provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.
 - In the event of a conflict of laws, North Dakota Law will control.
 - Franchisee may not assent to a waiver of rights to a jury trial, waiver of rights to exemplary or punitive damages, or waiving his rights to any procedure, forum, or remedies provided for by the laws of North Dakota, or consenting to liquidated damages, termination penalties or judgment notes.
 - The State of North Dakota has determined that ~~parties agreeing to arbitration or mediation of disputes at a location that is remote from the site of the franchisee's business to be unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.~~
 - The State of North Dakota has determined that requiring franchisees to ~~be governed by consent to the laws jurisdiction of a state other than courts outside of~~ North Dakota to be unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. ~~The laws of the State of North Dakota will govern. Any reference or requirement in~~ the Franchise Disclosure Document, Franchise Agreement, and Supplemental Agreements ~~that a franchisee consent to the jurisdiction of the courts outside North Dakota is deleted.~~
 - The State of North Dakota has determined that requiring franchisees to consent to a limitation of claims to be unfair, unjust, and inequitable within the intent Section 51-19-09 of the North Dakota Franchise Investment Law. The limitation of claims period is governed by North Dakota law.
2. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise agreement shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on



any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

3. Item 5 to the Disclosure Document is amended as follows:

The franchisor has agreed to post a \$49,500 surety bond. This surety bond requirement is imposed by the North Dakota Insurance & Securities Department based on the franchisor's financial statements.



EXHIBIT "B"
TO THE FDD

FINANCIAL STATEMENTS
(Attached)

September 30, 2025
September 30, 2024
September 30, 2023



EXHIBIT "B"
TO THE FDD

FINANCIAL STATEMENTS
(Continued)

***UNAUDITED INTERIM FINANCIALS**
(Attached)

Dated as of November 30, 2025

***THESE FINANCIAL STATEMENTS ARE PREPARED WITHOUT AN AUDIT. PROSPECTIVE FRANCHISEES OR SELLERS OF FRANCHISES SHOULD BE ADVISED THAT NO CERTIFIED PUBLIC ACCOUNTANT HAD AUDITED THESE FIGURES OR EXPRESSED HIS/HER OPINION WITH REGARD TO THE CONTENT OR FORM.**



**EXHIBIT "D"
TO THE FDD**

LIST OF AGENTS FOR SERVICE OF PROCESS

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation	Department of Financial Protection and Innovation	651 Bannan Street, Ste 300 Sacramento, CA 95811	(916) 445-7205 (866) 275-2677 www.dfpi.ca.gov askDFPI@dfpi.ca.gov
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Suite 315, West Tower, Atlanta, GA 30334	
Hawaii	Commissioner of Securities	Department of Commerce and Consumer Affairs Business Registration Division, Securities Compliance Branch	335 Merchant Street, Room 203, Honolulu, HI 96813	(808) 586-2722
Illinois	Chief, Franchise Division	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4465
Indiana	Indiana Secretary of State		210 State House, Indianapolis, IN 46204	
Maryland	Maryland Securities Commissioner	Division of Securities; Office of Attorney General	200 St. Paul Place, 20 th Floor, Baltimore, MD 21202-2020	(410) 576-6360
Michigan	Antitrust and Franchise Business	Michigan Department of the Attorney General's Office; Franchise Administrator; Consumer Protection Division	6546 Mercantile Way, Lansing, MI 48910	(517) 373-7117
Minnesota	Commissioner of Commerce	Minnesota Department of Commerce	85 7 th Place East, Suite 280, St. Paul, MN 55101	(651) 539-1500
New York	New York Department of State		99 Washington Ave, 6 th Floor, Albany, NY 12231	(518) 473-2492
North Dakota	Insurance Commissioner	<u>North Dakota Insurance & Securities Department</u>	600 East Boulevard Ave., State Capitol Fourteenth Floor, Dept. 414, Bismarck, ND 58505-0510	(701) 328-2910
Oregon	Director of Insurance & Finance	Business Service Division of Finance and Corporate Securities Labor and Industries Building	Salem, OR 97310	(503) 378-4387
Rhode Island	Chief Securities Examiner of	Department of Business Regulation Securities Division	1511 Pontiac Avenue, John O. Pastore	(401) 462-9527



**EXHIBIT “E”
TO THE FDD**

**LIST OF STATE AGENCIES RESPONSIBLE FOR
FRANCHISE DISCLOSURE/REGISTRATION LAWS**

STATE	CONTACT	DEPARTMENT	ADDRESS	PHONE NUMBER
California	Commissioner of Financial Protection and Innovation www.dfpi.ca.gov ask_DFPI@dfpi.ca.gov	Department of Financial Protection and Innovation	<u>Sacramento:</u> 651 Bannon Street, Ste 300, Sacramento, CA 95811 <u>San Diego:</u> 1455 Frazee Road Suite 315, San Diego, CA 92108 <u>San Francisco:</u> One Sansome Street, Ste. 600, San Francisco, CA 94101 <u>Los Angeles:</u> 320 West 4 th Street, Ste. 750, Los Angeles, CA 90013-2344	<u>Sacramento:</u> (916) 445-7205 <u>San Diego:</u> (619) 525-4233 <u>San Francisco:</u> (415) 972-8559 <u>Los Angeles:</u> (213) 576-7500 <u>Toll Free:</u> (866) 275-2677
Connecticut	Securities and Business Investment Division	Connecticut Department of Banking	260 Constitution Plaza, Hartford, CT 06103-1800	(860) 240-8233
Florida	Division of Consumer Services	Department of Agriculture and Consumer Services	P.O. Box 6700, Tallahassee, FL 32314-6700	(805) 488-2221 Fax: (805) 410-3804
Georgia	Secretary of State of Georgia	Corporations Division	2 Martin Luther King Jr. Dr., SE, Ste. 315, West Tower, Atlanta, GA 30334	
Hawaii	Business Registration Division, Commissioner of Securities	Department of Commerce and Consumer Affairs	P.O. Box 40, Honolulu, HI 96810	(808) 586- 2744 <u>2722</u>
Illinois	Franchise Bureau	Office of Attorney General	500 South Second Street, Springfield, IL 62706	(217) 782-4436
Indiana	Franchise Section	Indiana Securities Division, Secretary of State	302 West Washington Street, Room E-111, Indianapolis, IN 46204	(317) 232-6681
Iowa	Iowa Securities Bureau		340 Maple, Des Moines, Iowa 50319-0066	(515) 287-4441
Maryland	Office of the Attorney General	Division of Securities	200 St. Paul Place, 20 th Floor, Baltimore Maryland 21202-2020	(410) 576-6360
Michigan	Michigan Attorney General’s Office	Consumer Protection Division; Attn: Franchise Section	525 West Ottawa Street, Williams Building, 6 th Floor, Lansing, MI 48933	(517) 373-7117



**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF FOR THE STATE OF ILLINOIS**

Illinois law governs the franchise agreement.

In conformance with Section 4 of the Illinois Franchise Disclosure Act, any provision in a franchise agreement that designates jurisdiction and venue in a forum outside of the State of Illinois is void. However, a franchise agreement may provide for arbitration to take place outside of Illinois.

Franchisees rights upon termination and non-renewal are set forth in sections 19 and 20 of the Illinois Franchise Disclosure Act.

In conformance with Section 41 of the Illinois Franchise Disclosure Act, any condition, stipulation or provision purporting to bind any person acquiring any franchise to waive compliance with the Illinois Franchise Disclosure Act **or any other law of Illinois** is void.

No statement, questionnaire or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The franchisor has agreed to post a \$49,500 surety bond. This surety bond requirement is imposed by the Illinois Attorney General's Office based on the franchisor's financial condition.

IN WITNESS WHEREOF, the Franchisor and Franchisee have respectively signed and sealed this Franchise Agreement as of _____.

FRANCHISEE:

By: _____
(Signature)

Name: _____

Title: _____

FRANCHISOR:

Gorilla Franchising USA, Inc.

By: _____
(Signature)

Name: _____

Title: _____



**ADDENDUM TO THE FRANCHISE AGREEMENT
FOR THE STATE OF MARYLAND**

This Addendum dated _____, by and between Gorilla Franchising USA, Inc., a _____ corporation, hereinafter referred to as "Franchisor" and _____, LLC/Inc., hereinafter referred to as "Franchisee."

1. A franchisee may bring a lawsuit in Maryland for claims arising under the Maryland Franchise Registration and Disclosure Law.

2. Any claims arising under the Maryland Franchise Registration and Disclosure Law must be brought within 3 years after the grant of the franchise.

3. The general release required as a condition of renewal, sale and/or assignment/transfer shall not apply to any liability under the Maryland Franchise Registration and Disclosure Law.

4. All representations requiring prospective franchisees to assent to a release, estoppel or waiver of liability are not intended to nor shall they act as a release, estoppel or waiver of any liability incurred under the Maryland Franchise Registration and Disclosure Law.

5. This franchise agreement provides that disputes are resolved through arbitration. A Maryland franchise regulation states that it is an unfair or deceptive practice to require a franchisee to waive its right to file a lawsuit in Maryland claiming a violation of the Maryland Franchise Law. In light of the Federal Arbitration Act, there is some dispute as to whether this forum selection requirement is legally enforceable.

6. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

7. Section 20.14 of the franchise agreement regarding representations and Section 20.18 of the franchise agreement regarding acknowledgement of receipt of the FDD are not applicable to franchisees in Maryland.

8. The acknowledgment in Section 20.22 of the franchise agreement regarding the use of questionnaires and acknowledgments is not applicable to franchisees in Maryland.

9. The franchisor has agreed to post a surety bond pursuant to § 14-217 of the Maryland Franchise Law, as a condition of its registration to offer and sell franchises in Maryland.

Except as expressly amended or modified herein, all terms, provisions and conditions of the original Franchise Agreement shall remain in full force and effect. In the event of a conflict or inconsistency between the provisions of this Addendum and any provisions of the original Franchise Agreement, the provisions hereof shall in all respects govern and control.

IN WITNESS WHEREOF, and by their signatures below, the Parties hereto have caused this Agreement to be effective as of the date listed above with the full authority of the Company principal they represent.

FRANCHISOR:

FRANCHISEE:

GORILLA FRANCHISING USA, INC.

_____, **LLC/INC.**

By: _____

By: _____



ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF MINNESOTA

The disclosure document, franchise agreement, and other related agreements are amended to conform to the following:

1. Governing law, choice of forum, and jurisdiction and venue provisions of the disclosure document and franchise agreements are amended to include the following:

Minnesota statute 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the disclosure document or agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to any procedure, forum, or remedies provided for by the laws or the jurisdiction.

2. With respect to franchises governed by Minnesota law, the franchisor will comply with Minn. Stat. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specified cases, that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the franchise agreement; and that consent to the transfer of the franchise will not be unreasonably withheld.
3. As required by the Minnesota Franchise Act, Minn. Stat. Sec. 80C.12(g), franchisor will reimburse the franchisee for any costs incurred by the franchisee in the defense of the franchisee's right to use the Marks, so long as the franchisee was using the Marks in the manner authorized by franchisor, and so long as franchisor is timely notified of the claim and is given the right to manage the defense of the claim including the right to compromise, settle or otherwise resolve the claim, and to determine whether to appeal a final determination of the claim.
4. Minnesota Rule Part 2860.4400J prohibits requiring a franchisee from waiving his rights to a jury trial or waiving his rights to any procedure, forum, or remedies provided for by the laws of Minnesota, or consenting to liquidated damages, termination penalties or judgment notes.
5. Minn. Rule 2860.4400D prohibits a franchisor from requiring a franchisee to assent to a general release.
6. Any limitation of claims must comply with Minn. Stat. 80C.17, subdivision 5.
7. Any fee regarding insufficient funds for a dishonored check must comply with Minn. Stat. § 604.113, subdiv. 2(a), which puts a cap of \$30 on service charges.
8. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

8-9. Section 5.1 is amended to add the following, "The franchisor has agreed to post a surety bond pursuant to the Minnesota Franchise Act, as a condition of its registration to offer and sell franchises in Minnesota."

Franchisee (Signature)



ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE STATE OF NORTH DAKOTA

This Addendum to the Franchise Agreement is agreed to this ___ day of _____, 20___, between Gorilla Franchising USA, INC. and _____ to amend and revise said Franchise Agreement as follows:

1. The North Dakota Securities Commission requires that certain provisions contained in the Agreement be amended to be consistent with North Dakota Law, including the North Dakota Franchise Investment Law, North Dakota Century Code Addendum, Chapter 51-19, Sections 51-19-01 et seq. Such provisions in the Agreement are hereby amended as follows:

- No general release shall be required as a condition of renewal and/ or transfer which is intended to exclude claims arising under North Dakota Franchise Investment Law.
- In case of any enforcement action, the prevailing party is entitled to recover all costs and expenses including attorney's fees.
- The statute of limitations under North Dakota Law will apply.
- Covenants not to compete upon termination or expiration of the Franchise Agreement are generally unenforceable in the State of North Dakota except in limited instances as provided by law.
- A provision requiring litigation or arbitration to be conducted in a forum other than North Dakota is void with respect to claims under North Dakota Law.
- In the event of a conflict of laws, North Dakota Law will control.
- Franchise may not assent to a waiver of exemplary or punitive damages.
- Franchisee may not assent to a waiver of jury trial, waiver of rights to exemplary or punitive damages, or waiving his rights to any procedure, forum, or remedies provided for by the laws of North Dakota, or consenting to liquidated damages, termination penalties or judgment notes.
- The State of North Dakota has determined that ~~requiring franchisees parties agreeing to consent to the jurisdiction~~ arbitration or mediation of ~~court outside~~ disputes at a location that is remote from the site of North Dakota is the franchisee's business to be unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. The site of arbitration or mediation will be agreeable to all parties and may not be remote from the franchisee's place of business.
- The State of North Dakota has determined that requiring franchisees to consent to the jurisdiction of courts outside of North Dakota to be unfair, unjust, or inequitable within the intent of Section 51-19-09 of the North Dakota Franchise Investment Law. Any reference or requirement in the Franchise Disclosure Document, Franchise Agreement, and/or Supplemental Agreements that a franchisee consent to the jurisdiction of the courts outside of North Dakota is deleted.
- The State of North Dakota has determined that requiring franchisees to consent to a limitation of claims to be unfair, unjust, and inequitable within the intent Section 51-19-09 of the North Dakota Franchise Investment Law. The limitation of claims period is governed by North Dakota



law.

2. Each provision of this Addendum shall be effective only to the extent that the jurisdictional requirements of the North Dakota Law applicable to the provisions are met independent of this Addendum. To the extent this Addendum shall be inconsistent with any terms or conditions of said Franchise Agreement or exhibits or attachments thereto, the terms of this Addendum shall govern.

3. No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise agreement shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

4. The franchisor has agreed to post a \$49,500 surety bond. This surety bond requirement is imposed by the North Dakota Insurance & Securities Department based on the franchisor's financial statements.

IN WITNESS WHEREOF, each of the undersigned hereby acknowledges having read this Addendum understands and consents to be bound by all of its terms.

Gorilla Franchising USA, Inc.

Franchisee: _____

By: _____

By: _____

Title: _____

Title: _____



ADDENDUM TO THE FRANCHISE AGREEMENT FOR THE COMMONWEALTH OF VIRGINIA

Pursuant to Section 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to cancel a franchise without reasonable cause. If any grounds for default or termination stated in the Franchise Agreement does not constitute “reasonable cause,” as that term may be defined in the Virginia Retail Franchising Act or the laws of Virginia, that provision may not be enforceable.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

The franchisor has agreed to post a \$49,500 surety bond. This surety bond requirement is imposed by the Virginia Division of Securities and Retail Franchising based on the franchisor’s financial condition.

