

Provision	Section in Franchise Agreement (FA)	Summary
		and you must comply with each requirement. If any part of the Franchise Agreement is declared invalid, the remaining portion will remain in force. If applicable law requires the taking of some action other than is required by the Franchise Agreement, that requirement will be substituted.
(t) Integration/merger clause	21.4	Only the terms of the Franchise Agreement are binding (subject to state law) and any other representations or promises made outside this disclosure document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement, or any other agreement, is intended to disclaim any representations made in this disclosure document.
(u) Dispute resolution by arbitration or mediation	Not Applicable	
(v) Choice of forum	21.7	The state where our principal place of business is located at the time of suit (presently, Georgia) (subject to state law).
(w) Choice of law	21.6	Georgia law applies (subject to state law).

**ITEM 18**  
**PUBLIC FIGURES**

We do not use any public figure to promote the Franchises.

**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.

**TABLE NO. 1**  
**NET SALES FOR FISCAL YEAR 2024 OF 188 FRANCHISED STORES**  
**OPEN AT LEAST THREE YEARS**  
**DURING THE PERIOD FROM SEPTEMBER 28, 2021 TO SEPTEMBER 29, 2024**

Table 1	All Stores	Top Third	Middle Third	Bottom Third
Range of Net Sales	\$2,777,087 - \$309,355	\$2,777,087 - \$1,102,252	\$1,099,991 - \$749,721	\$747,592 - \$309,355
Average Net Sales	\$989,787	\$1,467,219	\$916,053	\$584,918

<b>Table 1</b>	<b>All Stores</b>	<b>Top Third</b>	<b>Middle Third</b>	<b>Bottom Third</b>
Median Net Sales	\$924,379	\$1,363,531	\$924,379	\$609,259
Number Of Stores	188	63	62	63
Number of Stores at or Above Average	77	25	34	36
Percentage of Stores at or Above Average	41.0%	39.7%	54.8%	57.1%

#### NOTES TO TABLE NO. 1

1. Table No. 1 displays the average and median Net Sales (as defined in Item 6) of 188 franchised HoneyBaked Stores during our fiscal year that ended on September 29, 204 and that were in operation for our last three fiscal years, which includes the period from September 28, 2021 to September 29, 2024 (the “Three Year Reporting Period”). Table No. 1 excludes data from: (i) nine franchised HoneyBaked Stores that opened during the Three Year Reporting Period; (ii) twelve franchised HoneyBaked Stores that temporarily closed for periods of time during the Three Year Reporting Period; (iii) seven franchised HoneyBaked Stores that permanently closed during the Three Year Reporting Period; (iv) seven franchised HoneyBaked Stores that were acquired by HBH’s affiliate during the Three Year Reporting Period.

2. The data in Table No. 1 is based on sales reports received from our CMS Point-of-Sale system. We have not audited or verified any of this information.

**TABLE NO. 2**  
**HISTORICAL SALES AND CERTAIN EXPENSES FOR 175 FRANCHISED STORES**  
**FOR CALENDAR YEAR 2023**

<b>Fiscal Year 2023</b>	<b>175 Stores</b>		<b>Stores with Net Sales Less Than \$700,000</b>		<b>Stores with Net Sales Between \$700,001 to \$1,000,000</b>		<b>Stores with Net Sales Greater Than \$1,000,000</b>	
Net Sales - Range	\$2,287,114 - \$258,949		\$674,534 - \$258,949		\$992,727 - \$703,402		\$2,287,114 - \$1,005,551	
No. of Stores	175		51		57		67	
Net Sales - Average	\$952,819		\$533,300		\$861,665		\$1,349,703	
Net Sales Median	\$911,256		\$555,924		\$872,019		\$1,270,250	
Cost of Goods Sold (COGS)	\$358,976	37.7%	\$201,996	37.9%	\$322,061	37.4%	\$509,875	37.8%
<b>Gross Profit</b>	<b>\$593,843</b>	<b>62.3%</b>	<b>\$331,304</b>	<b>62.1%</b>	<b>\$539,605</b>	<b>62.6%</b>	<b>\$839,829</b>	<b>62.2%</b>
Hourly Labor	\$201,156	21.1%	\$112,049	21.0%	\$184,431	21.4%	\$283,214	21.0%
<b>Store Operating Profit After COGS &amp; Hourly Labor</b>	<b>\$392,686</b>	<b>41.2%</b>	<b>\$219,255</b>	<b>41.1%</b>	<b>\$355,174</b>	<b>41.2%</b>	<b>\$556,615</b>	<b>41.2%</b>
Other Operating Expenses	\$278,243	29.2%	\$179,519	33.7%	\$252,559	29.3%	\$375,241	27.8%
<b>EBITDA</b>	<b>\$114,444</b>	<b>12.0%</b>	<b>\$39,736</b>	<b>7.5%</b>	<b>\$102,615</b>	<b>11.9%</b>	<b>\$181,374</b>	<b>13.4%</b>

## **NOTES TO TABLE NO. 2**

1. Table No. 2 presents Net Sales, Cost of Goods Sold, and Hourly Labor expense data for 175 franchised HoneyBaked Stores that were open during the entire 2023 calendar year and that provided year-end profit and loss statements to us on our standardized form for this period. Table No. 2 does not include any data related to: (i) 19 franchised HoneyBaked Stores that were open during the entire 2023 calendar year that did not provide profit and loss statements to us, or whose statements were not provided to us in the correct format; (ii) eight franchised HoneyBaked Stores that opened during the 2023 calendar year; (iii) five franchised HoneyBaked Stores that closed during the 2023 calendar year; and (iv) four franchised HoneyBaked Stores that were acquired by HBH's affiliate during the 2023 calendar year. We have not audited or verified this information.
2. Cost of Goods Sold includes the total costs of food and beverage sales as well as paper and packaging supplies.
3. Gross Profit is calculated by subtracting Cost of Goods Sold from Average Net Sales.
4. Hourly Labor costs include only hourly employee wages.
5. Store Operating Profit after COGS and Hourly Labor is calculated by subtracting Cost of Goods Sold and Total Hourly Labor costs from Average Net Sales.
6. Other Operating Expenses are expenses that are not included in Cost of Goods Sold or Hourly Labor and include expenses such as rent, management salaries, utilities, insurance, royalty fees, Advertising Fund contributions, technology fees, etc.
7. EBITDA is Earnings Before Interest, Taxes, Depreciation and Amortization is calculated by subtracting Other Operating Expenses from Store Operating Profit after COGS and Hourly Labor.

\* \* \*

The franchised HoneyBaked Stores reflected in this financial performance representation offer inventory and services for sale that are substantially similar to the inventory and services that you will offer for sale in your Store. The data has not been audited.

Written substantiation for the financial performance representation will be made available to you upon reasonable request.

**Some HoneyBaked Stores have earned this much. Your individual results may differ. There is no assurance you will earn as much.**

Other than the preceding financial performance representation, we do 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 our management by contacting Kenneth Marshall, Chief Financial Officer, The HBH Franchise Company, LLC, 3875 Mansell Road, Alpharetta, Georgia 30022-1532, (678) 966-3101, the Federal Trade Commission and the appropriate state regulatory agencies.

**ITEM 20**  
**LIST OF OUTLETS AND FRANCHISEE INFORMATION**

**Table No. 1**  
**Systemwide Store Summary**  
**For Years 2022-2024<sup>1</sup>**

Store Type	Year	Stores at the Start of the Year	Stores at the End of the Year	Net Change
Franchised Stores	2022	209	215	+6
	2023	215	209	-6
	2024	209	208	-1
Company-Owned Stores <sup>2</sup>	2022	200	225	+25
	2023	225	230	+5
	2024	230	231	+1
Total Stores	2022	409	440	+31
	2023	440	439	-1
	2024	439	439	0

**Table No. 2**  
**Transfers of Stores from Franchisees to New Owners**  
**(Other than HBH)**  
**For Years 2022-2024<sup>1</sup>**

State	Year	Number of Transfers
Alabama	2022	1
	2023	0
	2024	0
Delaware	2022	1
	2023	0
	2024	0
Florida	2022	1
	2023	2
	2024	2
Georgia	2022	1
	2023	0
	2024	1
Minnesota	2022	0
	2023	3
	2024	0