

**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 information included in Tables 1 and 2 below is based on reports submitted to us by 12 (for 2024 and 2025) fully-reporting franchised MFM Stores (collectively the “Franchised Stores”) located in the United States that were operated for the entire 2024 and 2025 Fiscal Years. The figures in Table 1 for 2024 and 2025 are for the 11 MFM Cafe Stores, which includes 10 MFM Production Stores and 1 MFM Satellite Store. The figures in Table 2 are for the first and only MFM Bakery Store. The Tables do not include any company-owned or affiliate-owned stores. Any franchised MFM Store that either opened or closed during the 2024 or 2025 Fiscal Years, or failed to submit all 52 weeks of reporting during the 2024 or 2025 Fiscal Years, have been excluded from the information contained in these Tables. During the 2024 Fiscal Year, 1 MFM Store closed. During the 2025 Fiscal Year, no MFM were opened or closed. The information was collected by us, but has not been independently audited or verified.

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**TABLE 1**  
**Gross Revenues<sup>1</sup> of MFM Franchised Stores**  
**By Quartile for 2025 and 2024 Fiscal Years**  
**MFM Cafe Stores**

	2025	2024	2025	2024	2025	2024	2025	2024
<b>Quartile<sup>2</sup></b>	<b>1<sup>st</sup></b>		<b>2<sup>nd</sup></b>		<b>3<sup>rd</sup></b>		<b>4<sup>th</sup></b>	
<b># Franchises Represented</b>	3	3	2	2	3	3	3	3
<b>Gross Revenues Range<sup>3</sup></b>	\$969,334- \$1,423,913	\$993,047- \$1,455,801	\$831,544- \$838,980	\$811,104- \$952,086	\$669,980- \$792,222	\$657,224- \$787,877	\$249,623- \$488,674	\$292,568- \$480,968
<b>Average Gross Revenues Within Quartile<sup>4</sup></b>	\$1,175,112	\$1,188,772	\$835,262	\$881,595	\$735,994	\$722,013	\$392,893	\$380,824
<b>Number &amp; Percentage of Franchised Stores in Each Quartile Exceeding the Average Gross Revenues for that Quartile<sup>5</sup></b>	1 or 33%	1 or 33%	1 or 50%	1 or 50%	2 or 67%	1 or 33%	2 or 67%	1 or 33%
<b>Median Gross Revenues in Each Quartile<sup>6</sup></b>	\$1,132,090	\$1,117,469	\$835,262	\$881,595	\$745,781	\$720,937	\$440,382	\$368,937

**TABLE 2**  
**Gross Revenues<sup>1</sup> of MFM Franchised Stores**  
**for 2025 and 2024 Fiscal Years**  
**MFM Bakery Store**

	<b>2025</b>	<b>2024</b>
<b># Franchises Represented</b>	1	1
<b>Gross Revenues</b>	\$790,836	\$795,720

Notes:

1. “Gross Revenues” is defined in the Franchise Agreement as the entire amount of all gross sales and business receipts, including direct or indirect barter transactions, catering accounts, proceeds of business interruption insurance policies, wholesale accounts (both on and off premises) arising out of the operation of the Store, or through or by means of the business conducted in connection therewith, whether for cash or credit, but excluding: (1) sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; and (2) all bona fide customer refunds and approved rebates, discounts and allowances.
2. Quartile. “Quartile” refers to the relative performance of the Franchised Stores. Therefore, the “1st Quartile” refers to the top 25% performing Franchised Stores, based on Gross Revenues, the “2nd Quartile” refers to the next highest 25% performing Franchised Stores, and so on.
3. Gross Revenues Range for 2024. The 2024 figures in the Tables are based on the 2024 Fiscal Year Gross Revenues of the 12 fully-reporting Franchised MFM Stores located in the United States that were operated for the entire 2024 Fiscal Year. For the MFM Cafe Stores, there are a total of 11 Franchised Stores, with 3 Franchised Stores in the First, Third and Fourth Quartiles and 2 Franchised Stores in the Second Quartiles. For the 2024 Fiscal Year there was 1 MFM Bakery Store so there are no Quartiles. The Gross Revenues Range shows the highest and lowest Gross Revenues within each Quartile. For example, the high end of the 1st Quartile of Franchised MFM Cafe Stores (\$1,455,801) is the Franchised Store having the highest Gross Revenues in 2024. The low end of the 1st Quartile of Franchised MFM Cafe Stores (\$993,047) is the Franchised Store having the 3rd highest Gross Revenues in 2024. The high end of the 2nd Quartile of Franchised MFM Cafe Stores (\$952,086) is the Franchised Store having the 4th highest Gross Revenues in 2024. The low end of the 2nd Quartile of Franchised MFM Cafe Stores (\$811,104) is the Franchised Store having the 5th highest Gross Revenues in 2024. And so on for each Quartile

4. Gross Revenues Range for 2025. The 2025 figures in the Tables are based on the 2025 Fiscal Year Gross Revenues of the 12 fully-reporting Franchised MFM Stores located in the United States that were operated for the entire 2025 Fiscal Year. For the MFM Cafe Stores, there are a total of 11 Franchised Stores, with 3 Franchised Stores in the First, Third and Fourth Quartiles and 2 Franchised Stores in the Second Quartiles. For the 2025 Fiscal Year there was 1 MFM Bakery Store so there are no Quartiles. The Gross Revenues Range shows the highest and lowest Gross Revenues within each Quartile. For example, the high end of the 1st Quartile of Franchised MFM Cafe Stores (\$1,423,913) is the Franchised Store having the highest Gross Revenues in 2025. The low end of the 1st Quartile of Franchised MFM Cafe Stores (\$969,334) is the Franchised Store having the 3rd highest Gross Revenues in 2025. The high end of the 2nd Quartile of Franchised MFM Cafe Stores (\$838,980) is the Franchised Store having the 4th highest Gross Revenues in 2025. The low end of the 2nd Quartile of Franchised MFM Cafe Stores (\$831,544) is the Franchised Store having the 5th highest Gross Revenues in 2025. And so on for each Quartile
5. Average Gross Revenues Within Quartile. Table 1 discloses the average Gross Revenues of the Franchised Stores within each Quartile for 2025 and 2024. The average was calculated by adding the Gross Revenues of all Franchised Stores within each Quartile and then dividing that total by the number of Franchised Stores within each Quartile. For example, the Gross Revenues in 2025 of the 1<sup>st</sup> Quartile (the top 3 Franchised Stores) have an average Gross Revenues of \$1,175,112. The Gross Revenues in 2024 of the 1<sup>st</sup> Quartile (the top 3 Franchised Stores) have an average Gross Revenues of \$1,188,772. The same mathematical calculation was used for each of the other Quartiles in Table 1.
6. Number & Percentage of Franchised Stores in Each Quartile Exceeding Average Gross Revenues for that Quartile. For each Quartile in Table 1, it shows the actual number of Franchised Stores within that Quartile that exceeded the Average Gross Revenues for that Quartile. For example, for 2025, of the 3 Stores in the 1<sup>st</sup> Quartile, 1 Franchised Stores, or 33%, of the Franchised Stores exceeded the Average Gross Revenues of \$1,175,212. For 2024, of the 3 Stores in the 1<sup>st</sup> Quartile, 1 Franchised Stores, or 33% of the Franchised Stores exceeded the Average Gross Revenues of \$1,188,772.
7. Median Gross Revenues in Each Quartile. Table 1 shows the median Gross Revenues in each Quartile. The “median” is the middle number within each Quartile. If there are an even number of Franchised Stores within a Quartile the median is the average of the Gross Revenues of the two Franchised Stores in the middle of the Quartile.

### **Material Bases and Assumptions**

The MFM Franchised Stores represented in the Tables above are substantially similar to the concept being offered to you.

The MFM Franchised Stores are primarily located in strip shopping centers, with a small percentage in free-standing locations.

The Gross Revenues are NOT net of costs of goods sold, other operating expenses or other costs or expenses that must be deducted from the gross revenues figures to obtain your net income or profit. We have not provided information regarding costs and expenses because we do not

regularly collect that data from franchisees from which we could present reliable figures, and we do not operate any company-owned stores.

You will incur at least the following expenses, and possibly more: inventory, labor, occupancy costs, pre-opening expenses, depreciation and amortization, taxes, insurance, operating expenses, royalty fees to us, advertising fees to us, other fees to us in the Franchise Agreement, professional fees, bank charges, telephone, repairs. All of your expenses will affect the operating profit, net income and/or cash flow of your MFM Store and should be carefully considered and evaluated.

Prospective franchisees or sellers of franchises should be advised that no Certified Public Accountant has audited these figures or expressed his/her opinion with regard to their content of form. The amounts have not been audited or reviewed for reasonableness by independent auditors.

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

You should conduct an independent investigation of the costs and expenses you will incur in operating your MFM Store. We encourage you to consult with your own accounting, business, and legal advisors to assist you to prepare your budgets and projections, and to assess the likely or potential financial performance of your MFM Store. We also encourage you to contact existing MFM Store operators to discuss their experiences with the system and their Store business. Existing franchisees are your best source of information.

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

Other than the preceding financial performance representation, BAB Systems, 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 Brian Evans, 500 Lake Cook Road, Suite 475, Deerfield, Illinois 60015, phone: 800/251-6101, the Federal Trade Commission, and the appropriate state regulatory agencies.

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**ITEM 20. OUTLETS AND FRANCHISEE INFORMATION****Systemwide Outlet Summary  
For years 2023 to 2025**

All figures in Tables 1 - 4 are as of November 30, which is the Franchisor's fiscal year end.

<b>Column 1</b>	<b>Column 2</b>	<b>Column 3</b>	<b>Column 4</b>	<b>Column 5</b>
<b>Outlet Type</b>	<b>Year</b>	<b>Outlets at the Start of the Year</b>	<b>Outlets at the End of the Year</b>	<b>Net Change</b>
Franchised	2023	17	13	-4
	2024	13	12	-1
	2025	12	12	0
Company-Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total Outlets	2023	17	13	-4
	2024	13	12	-1
	2025	12	12	0

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