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| | | determines that this liquidated damages provision is unenforceable, then Franchisor may pursue all other available remedies, including claims for lost future royalty fees. |
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ITEM 18
PUBLIC FIGURES

We do not currently use any public figure to promote our System.

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.

Historical Financial Performance Representation

Background

As of December 31, 2025, we had a total of 21 franchisees operating across 71 Protected Territories. Of these 21 franchisees, 20 franchisees were operating 65 Protected Territories and had been in business for the entire 2025 calendar year. This Item 19 discloses certain historical financial performance information for those 20 franchisees (each, an “Item 19 Franchisee” and collectively referred to as the “Reporting Businesses”). All 20 Reporting Businesses operated in multiple Territories. The 1 franchisee that was excluded from this Item 19 was excluded because they were not operational for the entire 2025 calendar year.

2025 Financial Performance Information for the Reporting Businesses

This Item sets forth historical Gross Sales and operating results for the Reporting Businesses during the 2025 calendar year (the “Measurement Period”). We obtained these figures from information provided by the Reporting Businesses to us through our proprietary software (the “Software System”) program for the Measurement Period. Franchisees are not required to use generally accepted accounting principles when reporting these figures.

Table 1 of this Item 19 discloses the Aggregate Gross Sales for Group, Average Gross Sales per Group, Highest Gross Sales in Group, Lowest Gross Sales in Group, Median Gross Sales in Group, Number Exceeding Group Average, and Percent Exceeding Group Average, for each quartile “Group” (Top 25%, 2nd Quartile, 3rd Quartile, and Bottom 25%), during the Measurement Period as reported to us through our Software System by the Reporting Businesses.

Table 2 sets forth the Gross Sales and Percentage of Sales for each Lighting Segment (Holiday & Outdoor/Event), as reported to us through our Software System by the Reporting Businesses.

Table 3 sets forth the Holiday Gross Sales, Outdoor and Event Lighting Gross Sales, and Total Gross Sales achieved by the Reporting Businesses within the respective Quartile during the Measurement Period, as reported to us through our Software System by the Reporting Businesses.

We will provide you with written substantiation for the financial performance representation upon reasonable request.

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TABLE 1

| Quartile | # of Franchisees in Group | # of Territories | Aggregate Gross Sales for Group | Average Gross Sales per Group | Highest Gross Sales in Group | Lowest Gross Sales in Group | Median Gross Sales in Group | Number Exceeding Group | Percent Exceeding Group |
|---------------------|---------------------------|------------------|---------------------------------|-------------------------------|------------------------------|-----------------------------|-----------------------------|------------------------|-------------------------|
| Top Quartile | 5 | 19 | \$ 5,439,420 | \$ 1,087,884 | \$ 1,953,889 | \$ 782,016 | \$ 927,300 | 1 | 20.0% |
| 2nd Quartile | 5 | 16 | \$ 2,800,662 | \$ 560,132 | \$ 707,491 | \$ 450,000 | \$ 524,078 | 2 | 40.0% |
| 3rd Quartile | 5 | 19 | \$ 1,259,432 | \$ 251,886 | \$ 362,102 | \$ 185,762 | \$ 221,000 | 2 | 40.0% |
| Bottom Quartile | 5 | 11 | \$ 821,408 | \$ 164,282 | \$ 180,649 | \$ 146,235 | \$ 162,106 | 2 | 40.0% |
| Total System | 20 | 65 | \$ 10,320,922 | \$ 516,046 | \$ 1,953,889 | \$ 146,235 | \$ 406,051 | 8 | 40.0% |

Notes:

1. In some cases, a franchisee may have increased or decreased its number of Protected Territories during the fiscal year. For purpose of the Table, we include all of the territories operated by a franchisee that were operated the entire time of the Measurement Period.
2. This Table 1 to Item 19 discloses Gross Sales for the Reporting Businesses, divided into groups based on the level of Gross Sales achieved during the Measurement Period (i.e. Top Quartile, 2nd Quartile, 3rd Quartile, Bottom Quartile).
3. **“Gross Sales”** is defined all revenue generated by the Reporting Businesses during the Measurement Period, as reported to us through our Software System by the Reporting Businesses. The term **“Gross Sales”** does not include (a) tips paid directly to subcontractors or other personnel, or (b) sales tax that is collected directly from customers and paid to the appropriate taxing authority.
4. **“Aggregate Gross Sales for Group”** is defined as the total Gross Sales achieved by the group for each Quartile, as reported to us through our Software System by the Reporting Businesses.
5. **“Average Gross Sales per Group”** is defined as the average Gross Sales achieved by the Reporting Businesses within the respective Quartile, as reported to us through our Software System by the Reporting Businesses.
6. **“Highest Gross Sales in Group”** is defined as the Gross Sales achieved by the top performing Item 19 Franchisee within the respective Quartile, as reported to us through our Software System by the Reporting Businesses.
7. **“Lowest Gross Sales in Group”** is defined as the Gross Sales achieved by the lowest performing Item 19 Franchisee within the respective Quartile, as reported to us through our Software System by the Reporting Businesses.
8. **“Median Gross Sales in Group”** is defined as the median Gross Sales achieved by the Reporting Businesses within the respective Quartile, as reported to us through our Software System by the Reporting Businesses.
9. **“Number Exceeding Group Average”** is defined as the number of Reporting Businesses within each Quartile who are exceeding the group average, as reported to us through our Software System by the Reporting Businesses.
10. **“Percent Exceeding Group Average”** is defined as the percentage of Reporting Businesses within each Quartile who are exceeding the group average, as reported to us through our Software System by the Reporting Businesses.

TABLE 2

| Lighting Segment | Gross Sales | Percentage of Sales |
|---------------------|----------------------|---------------------|
| Holiday | \$ 4,458,880 | 43.2% |
| Outdoor and Event | \$ 5,862,042 | 56.8% |
| Total System | \$ 10,320,922 | 100.0% |

Notes:

1. **“Gross Sales”** is defined all revenue generated by the Reporting Businesses during the Measurement Period, as reported to us through our Software System by the Reporting Businesses. The term “Gross Sales” does not include (a) tips paid directly to subcontractors or other personnel, or (b) sales tax that is collected directly from customers and paid to the appropriate taxing authority.
2. **“Holiday”** is defined as all holiday lighting jobs performed during the Measurement Period, as reported to us by the Reporting Businesses.
3. **“Outdoor and Event”** is defined as all permanent outdoor lighting jobs, landscape lighting jobs, event lighting jobs, and any other outdoor lighting jobs, except for jobs defined as “Holiday,” performed during the Measurement Period, as reported to us through our Software System by the Reporting Businesses.
4. **“Total System”** is defined all revenue generated by the Reporting Businesses over the Measurement Period, from January 1, 2025, to December 31, 2025, as reported to us through our Software System by the Reporting Businesses. The term “Gross Sales” does not include (a) tips paid directly to subcontractors or other personnel, or (b) sales tax that is collected directly from customers and paid to the appropriate taxing authority.

TABLE 3

| Quartile | # of Franchisees in Group | # of Territories | Holiday Gross Sales | Outdoor and Event Lighting Gross Sales | Total Gross Sales |
|---------------------|---------------------------|------------------|---------------------|--|----------------------|
| Top Quartile | 5 | 19 | \$ 2,560,561 | \$ 2,878,859 | \$ 5,439,420 |
| 2nd Quartile | 5 | 16 | \$ 946,084 | \$ 1,854,578 | \$ 2,800,662 |
| 3rd Quartile | 5 | 19 | \$ 603,912 | \$ 655,520 | \$ 1,259,432 |
| Bottom Quartile | 5 | 11 | \$ 348,323 | \$ 473,086 | \$ 821,408 |
| Total System | 20 | 65 | \$ 4,458,880 | \$ 5,862,042 | \$ 10,320,922 |

Notes:

1. **“Holiday Gross Sales”** is defined as the total gross sales from all holiday lighting jobs performed by the Reporting Businesses within the respective Quartile during the Measurement Period, as reported to us by the Reporting Businesses.
2. **“Outdoor Lighting Gross Sales”** is defined as the total gross sales from all permanent outdoor lighting jobs, landscape lighting jobs, event lighting jobs, and any other outdoor lighting jobs, except for jobs defined as “Holiday Lighting,” performed by the Reporting Businesses within the respective Quartile during the Measurement Period, as reported to us through our Software System by the Reporting Businesses.
3. **“Total Gross Sales”** is defined as the total gross sales of both Holiday Lighting and Outdoor Lighting jobs performed by the Reporting Businesses within the respective Quartile during the

Measurement Period, as reported to us through our Software System by the Reporting Businesses.

Assumptions and Additional Notes:

1. The Item 19 historical financial performance representation included in this Item includes certain reported performance information reported by the Reporting Businesses during the Measurement Period only.
2. The financial information presented in this Item 19 does not disclose any cost, expense or profit information.

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

Other than the preceding financial performance representation, HPB Lighting LLC does not make any financial performance representations. We also do not authorize our employees or representatives to make any such either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting the Legal Department at 2525 N. 117th Avenue, Third Floor, Omaha, Nebraska 68164 and 1 (800) 490-8991, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

For purposes of this Item 20, each Protected Territory that a franchisee receives under a Franchise Agreement is considered an “Outlet.”

Table No. 1: System-wide 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 | 2023 | 113 | 109 | -4 |
| | 2024 | 109 | 80 | -29 |
| | 2025 | 80 | 71 | -9 |
| Company-Owned and Affiliate-Owned | 2023 | - | - | - |
| | 2024 | - | - | - |
| | 2025 | - | - | - |
| Total Outlets | 2023 | 113 | 109 | -4 |
| | 2024 | 109 | 80 | -29 |
| | 2025 | 80 | 71 | -9 |

**For purposes of this Item 20 Table 1, each Protected Territory that a franchisee receives under a Franchise Agreement is considered an “Outlet.”

**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 |
|-------|------|---------------------|
| TN | 2023 | - |
| | 2024 | 3 |
| | 2025 | - |
| TX | 2023 | - |
| | 2024 | 2 |
| | 2025 | - |
| TOTAL | 2023 | - |
| | 2024 | 5 |
| | 2025 | - |

Table No. 3: Status of Franchised Outlets For years 2023 to 2025

| State | Year | Outlets at Start of Year | Outlets Opened | Terminations | Non - Renewals | Reacquired by Franchisor | Ceased Operations - Other Reasons | Outlets at End of Year |
|-------|------|--------------------------|----------------|--------------|----------------|--------------------------|-----------------------------------|------------------------|
| AZ | 2023 | 3 | 3 | 3 | - | - | - | 3 |
| | 2024 | 3 | - | - | - | - | - | 3 |
| | 2025 | 3 | - | 3 | - | - | - | - |