

THE FRANCHISE RELATIONSHIP		
PROVISION	SECTIONS IN AGREEMENT	SUMMARY
p. Your death or disability	20.4	Within 180 days, interest must be assigned by estate to an assignee in compliance with conditions for other Transfers. We may designate a manager to operate the Business prior to Transfer.
q. Non-competition covenants during the term of the franchise	15.3	You may not: have any involvement with a competing business (subject to state law); divert business from us or other MB Businesses; or induce clients to cease working with any MB Business.
r. Non-competition covenants after the franchise is terminated or expires	15.3 & 22.1	For 2 years you may not: be involved with a competing business that operates in your Territory or a territory assigned to another MB Business (subject to state law); divert business from us or other MB Businesses; or induce clients to cease working with any MB Business. You must cease communicating with clients except as needed to comply with your post-term obligations.
s. Modification of the agreement	25.3 & 25.8	We may unilaterally change the Franchise Agreement (to reduce scope of restrictive covenants or conform to state law) and Manual. Other changes require a written agreement signed by both parties.
t. Integration/merger clause	25.8	Only terms of the Franchise Agreement and its attachments are binding (subject to state law). Any representations or promises made outside the Disclosure Document and Franchise Agreement may not be enforceable. Nothing in the Franchise Agreement or related agreements is intended to disclaim any representations we made in this Disclosure Document. No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the beginning of the franchise relationship has the effect of (a) waiving any claim under applicable state franchise law, including fraud in the inducement, or (b) disclaiming reliance on any statement made by us or any franchise seller or other person acting on our behalf. This provision supersedes any other term of any document signed in connection with the franchise.
u. Dispute resolution by arbitration or mediation	23	Subject to state law, all disputes must be mediated before litigation, except for certain disputes involving our intellectual property or compliance with restrictive covenants or post-term obligations.
v. Choice of forum	23	Subject to state law, mediation and litigation must take place in county where we maintain our principal place of business at time dispute arises (currently Maricopa County, Arizona).
w. Choice of law	25.1	Subject to state law, Arizona law governs.

ITEM 18 PUBLIC FIGURES

We do not use any public figures 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.

Defined Terms

For purposes of this FPR, the following terms have the meanings given to them below.

“Company-Owned Outlet” means any MB Business owned by us, our affiliate or a person listed in Item 2 of this Disclosure Document if that person also manages the MB Business.

“Converted Outlet” means an MB Business that was a Company-Owned Outlet sold to a franchisee, or a Franchised Outlet reacquired by us or our affiliate, during the Measuring Period.

“FPR” means the financial performance representation set forth in Item 19 of this Disclosure Document.

“Franchised Outlet” means any MB Business owned by a franchisee.

“Gross Sales” means the total gross sums that: (a) are billed or invoiced for all goods and services sold from or relating to the Business (including amounts billed but not collected); (b) we or our affiliate pay for servicing a strategic relationship account; or (c) otherwise relate to the Business, including advertising revenue, sponsorship fees and business interruption insurance proceeds. Gross Sales excludes: (a) sales or use taxes; (b) revenue from the sale of furniture, fixtures or equipment in the ordinary course; and (c) tips paid to and retained by staff members as a gratuity.

“Measuring Period” means the period of time beginning January 1, 2025 and ending December 31, 2025.

“Qualifying Franchisee” means a franchisee who: (a) operated their Franchised Outlet throughout the Measuring Period; and (b) is not a Converted Outlet.

System Statistics

This FPR excludes data from Company-Owned Outlets.

This FPR includes data for all Qualifying Franchisees. As of December 31, 2025, there were 71 open franchisees (with 275 territories), 67 of whom are Qualifying Franchisees. We excluded data for 1 franchisee (with 1 territory) who opened in 2025 and was not open the entire Measuring Period. We have also excluded data for 3 franchisees (with 20 territories) who purchased existing Company-Owned Outlets in 2025, which were not operated as Franchised Outlets for the entire Measuring Period. The table below summarizes the franchisee statistics and the number of Qualifying Franchisees. Each Qualifying Franchisee may be referred to as an “outlet”.

2025 Outlet Statistics*				Converted Outlets	Qualifying Franchisees
Open Jan 1, 2025	Opened in 2025	Closed in 2025	Open Dec 31, 2025		
69	4**	2	71	3**	67

* There are no excluded outlets in this FPR that closed during 2025 after being open less than 12 months.

** Three (3) of the 4 openings in 2025 consist of Company-Owned Outlets acquired by franchisees in 2025 (i.e., Converted Outlets). However, they are not “new” openings.

There are no material differences between the operations of the MB Businesses operated by the Qualifying Franchisees and the franchised business offered under this Disclosure Document.

Subsets Utilized

For purposes of this FPR, each franchisee is considered a separate “outlet” even though some franchisees operate multiple territories. The 67 Qualifying Franchisees operate a total of 254 territories as of December 31, 2025. We created the following subsets based on the number of territories owned by Qualifying Franchisees:

Subset	Number of Territories Owned*	Number of Qualifying Franchisees	Total Number of Territories
1	All Franchisees	67	254
2	Franchisees Operating 1 Territory	13	13
3	Franchisees Operating 2 Territories	16	32
4	Franchisees Operating 3 Territories	11	33
5	Franchisees Operating 4 Territories	8	32
6	Franchisees Operating 5 Territories	7	35

Subset	Number of Territories Owned*	Number of Qualifying Franchisees	Total Number of Territories
7	Franchisees Operating 6 Territories	5	30
8	Franchisees Operating 7 Territories	2	14
9	Franchisees Operating 8 Territories	N/A	N/A
10	Franchisees Operating 9 Territories	1	9
11	Franchisees Operating 10 Territories	2	20
12	Franchisees Operating >10 Territories	2	36

* Qualifying Franchisees are assigned to subsets based on the number of territories owned at the end of the Measuring Period. For example, a Qualifying Franchisee who starts the Measuring Period with 2 territories and ends the Measuring Year with 1 territory would be assigned to Subset 2 (Franchisees Operating 1 Territory). If a Qualifying Franchisee changes the number of territories owned during the Measuring Period, we exclude data from each territory that is acquired or closed during the Measuring Period. In other words, we only include data attributable to territories that were open the entire Measuring Period.

Of the 67 Qualifying Franchisees, none reduced or increased the number of territories owned during the course of the Measuring Period.

Financial Performance Representation

The following table presents Gross Sales generated during the Measuring Period by the Qualifying Franchisees:

2025 GROSS SALES – FRANCHISED OUTLETS						
Subset	Qualifying Franchisees	Lowest	Highest	Median	Average	Number & Percent that Achieved/Surpassed Average
Subset 1 (All)	67	\$59,232	\$5,758,990	\$637,111	\$946,763	25 of 67 (37%)
Subset 2 (1 Territory)	13	\$59,232	\$1,331,850	\$388,298	\$463,961	5 of 13 (38%)
Subset 3 (2 Territories)	16	\$95,216	\$830,386	\$491,794	\$433,527	9 of 16 (56%)
Subset 4 (3 Territories)	11	\$204,169	\$2,087,375	\$717,310	\$931,740	5 of 11 (45%)
Subset 5 (4 Territories)	8	\$413,075	\$1,746,868	\$1,122,814	\$1,129,214	4 of 8 (50%)
Subset 6 (5 Territories)	7	\$372,351	\$3,037,087	\$1,352,433	\$1,435,491	3 of 7 (43%)
Subset 7 (6 Territories)	5	\$269,288	\$1,606,511	\$1,063,317	\$930,109	3 of 5 (60%)
Subset 8 (7 Territories)	2	\$2,155,134	\$2,836,015	\$2,495,575	\$2,495,575	1 of 2 (50%)
Subset 9 (8 Territories)	N/A	N/A	N/A	N/A	N/A	N/A
Subset 10 (9 Territories)	1	\$2,847,377	\$2,847,377	\$2,847,377	\$2,847,377	1 of 1 (100%)
Subset 11 (10 Territories)	2	\$527,005	\$645,180	\$586,092	\$586,092	1 of 2 (50%)
Subset 12 (>10 Territories)	2	\$1,713,643	\$5,758,990	\$3,736,316	\$3,736,316	1 of 2 (50%)

Notes:

1. Source of Data: We prepared this FPR using data from Gross Sales reports submitted by Qualifying Franchisees. The data has not been audited.
2. Historical Results: This FPR reflects the historical results achieved by Qualifying Franchisees.
3. No Expenses: This FPR does not include any expense information.

Some MB Businesses have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

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

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 the franchisor's management by contacting our Chief Financial Officer, Gregory Esgar, at MB Franchise Holdings, Inc. 8100 E. Indian School Road, Suite 201, Scottsdale, Arizona 85251, (770) 551-9630, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 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	68	71	+3
	2024	71	69	+2
	2025	69	71	+2
Company-Owned	2023	2	2	0
	2024	2	3	+1
	2025	3	0	-3
Total Outlets	2023	70	73	+3
	2024	73	72	-1
	2025	72	71	-1

TABLE 2 - TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN FRANCHISOR) FOR YEARS 2023 TO 2025		
State	Year	Number of Transfers
Arizona	2023	0
	2024	1
	2025	0
California	2023	0
	2024	0
	2025	1
Colorado	2023	1
	2024	0
	2025	0
Florida	2023	1
	2024	0
	2025	0