

<b>Provision</b>	<b>Section in Franchise Agreement (“FA”)</b>	<b>Section in Area Development Agreement (“ADA”)</b>	<b>Summary</b>
v. Choice of forum	Section 15	Section 16	FA: Court of proper jurisdiction in the Commonwealth of Virginia (subject to applicable state law). ADA: Court of proper jurisdiction in the Commonwealth of Virginia (subject to applicable state law).
w. Choice of law	Section 15	Section 16	FA: The Commonwealth of Virginia (subject to applicable state law). ADA: The Commonwealth of Virginia (subject to applicable state law).

## **ITEM 18 PUBLIC FIGURES**

As of the date of this disclosure document, 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.

### **1. Important Historical Information**

We began franchise operations in June 2022. The Wonderly Lights brand was initially launched when 3 existing holiday lighting businesses converted to franchise entities (“Conversion Franchise Entities”). The Conversion Franchise Entities included one which was primarily focused on commercial/municipal customers (“commercial Conversion Franchise Entity, with 10 years of prior experience in the business), and two which were primarily focused on residential customers (“residential Conversion Franchise Entities,” with 1 and 3 years, respectively, of prior experience in the lighting business). Each of these 3 preexisting businesses were converted by

their owners into two franchise outlets in the June to August 2022 timeframe, resulting in 6 franchise outlets – 2 outlets that focus on commercial/municipal customers and 4 outlets that focus on residential customers. Additionally, and concurrent with the conversion in 2022, the residential Conversion Franchise Entities each acquired the rights to a third outlet, which each has subsequently opened.

For calendar years 2022-2024, we focused predominantly on the holiday lighting service line (“Holiday Light Services”). The operational season for a Wonderly Lights franchise operating on a Seasonal Basis (i.e., the holiday lighting business) is approximately 5 months, beginning in September of one calendar year and ending in January of the next calendar year. There is work to be done outside of this timeframe (such as, the preparation of Christmas décor and installation equipment, sales and marketing, etc.) but the bulk of the field work for a Wonderly Lights franchise operating on a Seasonal Basis is completed during the aforementioned timeframe. More specifically, the holiday light installation services are completed in the September to December (commercial/municipal market) and the October to December (residential market) timeframes. The holiday light “takedown” services, i.e., the job of removing lights and other Christmas décor from customer locations and then storing the materials, is completed during the month of January.

During the 2024 calendar year, we began to expand into permanent roofline (“Permanent”) light services and architectural and landscape (“Landscape”) light services (collectively, “Non-Holiday Light Services”), and continued the transition from offering only Franchised Businesses that operate on a Seasonal Basis to a multi-service line, premium outdoor lighting brand that offers Franchised Businesses on a Year-Round Basis in 2025. Approximately 53% of our franchisees, plus Local Operations (as defined below), offered Non-Holiday Light Services during calendar year 2025. Results and data for Non-Holiday Light Services are provided separately below.

## **2. BFB Light Local Operations**

BFB Light Local Operations, LLC (“Local Operations”) began offering residential Holiday Light Services in the cities of Chesapeake, Norfolk, and Virginia Beach, Virginia, in late October 2022. For calendar year 2025, Local Operations generated \$328,433 in revenue while providing both Holiday Light Services and Non-Holiday Light Services for 157 customers. These figures include 22 Non-Holiday Light Services (14% of total installations) for \$96,545 (29% of total revenue) to 22 customers (14% of total customers). Additional performance details for Local Operations are presented in Tables 1-3 below.

**TABLE 1 – REVENUE AND JOB METRICS BY SERVICE LINE**

<u>Metric</u>	<u>Revenue</u>	<u>Job Count</u>
Holiday	\$231,888	135
Permanent	\$57,078	10
Landscape	\$39,466	12
Total	\$328,433	157

**TABLE 2 – TICKET PRICE BY SERVICE LINE**

<u>Metric</u>	<u>Average</u>	<u>Median</u>	<u>High</u>	<u>Low</u>
Holiday	\$1,718	\$1,222	\$22,547	\$412
Permanent	\$5,708	\$3,711	\$11,853	\$1,727
Landscape	\$3,289	\$3,312	\$6,259	\$531
Total	\$2,092	\$1,411	\$22,547	\$412

**Notes for Tables 1 and 2:**

1. Based on CRM data and Tableau analytics data for Local Operations.
2. Average ticket price is the total revenue divided by the total job count.

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**TABLE 3 – 2025 ADDITIONAL PERFORMANCE METRICS**

<u>Metric Tracked</u>	<u>Question/Answer</u>	<u>Notes</u>
1. Cost per Lead	<p><b>What were the results of the Local Operations’ marketing program in 2025?</b></p> <p>Local Operations spent \$65,416 on an omnichannel marketing program which generated 296 leads, 157 quotes and 68 new customers. The cost per lead was \$221.</p>	1, 2
2. Lead to Quote Conversion Rate	<p><b>What was the lead to quote conversion rate for Local Operations in 2025?</b></p> <p>157 of the 296 leads received a quote in 2025 for a 53% lead to quote conversion rate.</p>	1

<u>Metric Tracked</u>	<u>Question/Answer</u>	<u>Notes</u>
3. Quote to Job Scheduled Conversion Rate	<p><b>What was the quote to job scheduled conversion rate for Local Operations in 2025?</b></p> <p>68 of the 157 quotes provided to prospective customers were accepted for a 43% quote to job scheduled conversion rate.</p>	1
4. Lead to Job Scheduled Conversion Rate	<p><b>What was the lead to job scheduled conversion rate for Local Operations in 2025?</b></p> <p>68 of the 296 leads received were converted to jobs scheduled for a 23% lead to job scheduled conversion rate.</p>	1
5. Customer Retention Rate (holiday lights only)	<p><b>What was the year over year holiday light customer retention rate in 2025?</b></p> <p>The retention rate of prior year holiday light customers was 68%.</p>	1
6. Labor Rate	<p><b>How much did Local Operations pay its technicians in 2025?</b></p> <p>Local Operations technicians do not receive benefits and are paid on an hourly basis. The average hourly rate was \$24/hour, the low hourly rate was \$17.50/hour, the high hourly rate was \$32.00/hour, and the median hourly rate was \$24.00/hour.</p> <p>In 2025, Local Operations also paid several technicians on a commission basis (in lieu of being paid on an hourly basis), with the commission percentage ranging from 5.5% to 7% of job revenue based on the individual technician’s experience and role.</p>	3, 4

Notes for Table 3:

1. Based on CRM data and Tableau analytics data for Local Operations.
2. Based on the 2025 marketing plan for Local Operations.
3. Based on 2025 payroll data for Local Operations.
4. Local Operations has elected to pay above the minimum wage to attract a more experienced technician, which we believe helps to keep customer satisfaction high and recruit additional customers.

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### 3. BFB Light Franchising, LLC

In 2025, we had 19 franchisees operating 36 outlets for at least six months as of December 31, 2025 (“All Franchisees”). Of these 19 franchisees, 18 franchisees operating 34 territories offer

and provide Holiday Light Services, and 10 franchisees operating 22 territories offer and provide Non-Holiday Light Services. The following franchisees have been excluded: 3 franchisees, each operating a single outlet, operated for less than six months as of December 31, 2025, 1 franchisee who intentionally reduced operations and subsequently closed, and 1 franchisee who predominately provides commercial lighting services. The tables in this section 3 are organized as follows:

- a. Tables 4-6 – All Franchisee Performance: Financial and operational metrics for All Franchisees. Of the 19 franchisees, 6 operated 3 outlets as a single business entity, 5 operated 2 outlets as a single business entity, and the remaining 8 operated a single outlet.
- b. Tables 7-8 Holiday Light Service Line Performance: Financial and operational metrics for 18 franchisees operating 34 outlets that offer and provide Holiday Light Services. Of these 18 franchisees, 6 operated 3 outlets as a single business entity, 4 operated 2 outlets as a single business entity, and the remaining 8 operated a single outlet.
- c. Tables 9-10 Non-Holiday Light Service Line Performance: Financial and operational metrics for 10 franchisees operating 22 outlets that offer and provide Non-Holiday Light Services. Of these 10 franchisees, 5 operated 3 outlets as a single business entity, 2 operated 2 outlets as a single business entity, and the remaining 3 operated a single outlet.

**a. All Franchisee Performance for Revenue, Customers and Sales**

**TABLE 4 – 2025 REVENUE AND JOB METRICS (ALL FRANCHISEES)<sup>1</sup>**

<u>Metric</u>	<u>Average<sup>2</sup></u>	<u>Median</u>	<u>High</u>	<u>Low</u>
<b>Revenue</b>	\$199,609 <b>6 (32%)</b>	\$140,166	\$532,042	\$25,872
<b>Job Count</b>	86 <b>9 (47%)</b>	72	213	22
<b>Ticket Price<sup>3</sup></b>	\$2,307 <b>8 (42%)</b>	\$2,019	\$4,737	\$1,201

Notes for Table 4:

- 1. Based on CRM entity level data for the 19 franchisees operating a total of 36 outlets which opened their first location prior to calendar year 2025. As noted above, some franchisees operate more than 1 outlet under the same legal entity. Therefore, these revenue, job count and ticket price numbers cannot be extrapolated to the potential operation of a single outlet.

2. The number and corresponding percentage of franchisees which exceeded the average figures are shown in bold italics below each metric in this column.
3. Ticket Price represents each franchisee’s total revenue divided by total job count, averaged across the reporting franchisees.

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**TABLE 5 – 2025 QUARTILE PERFORMANCE (ALL FRANCHISEES)<sup>1,2</sup>**

**Revenue**

<b><u>Quartile</u></b>	<b><u>Average</u></b>	<b><u>Median</u></b>	<b><u>High</u></b>	<b><u>Low</u></b>
Top Quartile	\$416,882	\$495,028	\$532,042	\$274,178
2 <sup>nd</sup> Quartile	\$169,716	\$155,756	\$241,623	\$140,166
3 <sup>rd</sup> Quartile	\$115,755	\$113,012	\$127,784	\$103,318
4 <sup>th</sup> Quartile	\$70,200	\$81,680	\$91,567	\$25,872

**Job Count**

<b><u>Quartile</u></b>	<b><u>Average</u></b>	<b><u>Median</u></b>	<b><u>High</u></b>	<b><u>Low</u></b>
Top Quartile	155	141	213	114
2 <sup>nd</sup> Quartile	92	93	110	72
3 <sup>rd</sup> Quartile	56	55	67	43
4 <sup>th</sup> Quartile	30	30	38	22

**Ticket Price<sup>3</sup>**

<b><u>Quartile</u></b>	<b><u>Average</u></b>	<b><u>Median</u></b>	<b><u>High</u></b>	<b><u>Low</u></b>
Top Quartile	\$3,526	\$3,748	\$4,737	\$2,522
2 <sup>nd</sup> Quartile	\$2,253	\$2,311	\$2,461	\$2,019
3 <sup>rd</sup> Quartile	\$1,816	\$1,763	\$2,018	\$1,635
4 <sup>th</sup> Quartile	\$1,463	\$1,520	\$1,612	\$1,201

**Notes for Table 5:**

1. Based on CRM entity level data for the 19 franchisees operating a total of 36 outlets, which opened their first location prior to calendar year 2025. As noted above, some franchisees

- operate more than 1 outlet under the same legal entity. Therefore, these revenue, job count and ticket price numbers cannot be extrapolated to the potential operation of a single outlet.
2. The 19 franchisees are divided into quartiles as follows: Top Quartile – 5 franchisees (all 5 operating 3 outlets), 2<sup>nd</sup> Quartile – 5 franchisees (1 operating 3 outlets, 4 operating 2 outlets), 3<sup>rd</sup> Quartile – 5 franchisees (1 operating 2 outlets, 4 operating a single outlet), and 4<sup>th</sup> Quartile – 4 franchisees (all 4 operating a single outlet).
  3. Ticket Price represents each franchisee’s total revenue divided by total job count, averaged across the reporting franchisees.

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**TABLE 6 – 2025 CUSTOMER SALES PERFORMANCE (ALL FRANCHISEES)<sup>1</sup>**

<u>Metric Tracked</u>	<u>Question/Answer</u>	<u>Notes</u>
1. Lead to Quote Conversion Rate	<p><b>What was the lead to quote conversion rate?</b></p> <p>2,015 of the 4,000 leads received a quote in 2025 for a 50% lead to quote conversion rate.</p>	1
2. Quote to Job Scheduled Conversion Rate	<p><b>What was the quote to job scheduled conversion rate?</b></p> <p>657 of the 2,015 quotes provided to prospective customers were accepted in 2025 for a 33% quote to job scheduled conversion rate.</p>	1
3. Lead to Job Scheduled Conversion Rate	<p><b>What was the lead to job scheduled conversion rate?</b></p> <p>657 of the 4,000 leads received were converted to jobs scheduled in 2025 for a 16% lead to job scheduled conversion rate.</p>	1
4. Holiday Light Customer Retention Rate	<p><b>What was the year over year holiday light customer retention rate?</b></p> <p>The retention rate of prior year holiday light customers in 2025 was 68%.</p>	1, 2

Notes for Table 6:

1. Based on CRM entity level data and Tableau analytics data for the 19 franchisees operating 36 outlets, which opened their first location prior to calendar year 2025. As noted above, some franchisees operate more than 1 outlet under the same legal entity.
2. The retention rate is reported only for holiday light customers who obtained services from the 19 franchisees.

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**b. Holiday Light Performance for Revenue and Customers**

**TABLE 7 – 2025 REVENUE AND JOB METRICS (HOLIDAY LIGHT SERVICE LINE)<sup>1</sup>**

<u>Metric</u>	<u>Average<sup>2</sup></u>	<u>Median</u>	<u>High</u>	<u>Low</u>
<b>Revenue</b>	\$179,084 <b>6 (33%)</b>	\$131,961	\$497,198	\$25,872
<b>Job Count</b>	84 <b>9 (50%)</b>	80	181	22
<b>Ticket Price<sup>3</sup></b>	\$2,132 <b>5 (28%)</b>	\$1,961	\$4,737	\$1,201

Notes for Table 7:

1. Based on CRM entity level data for the 18 franchisees operating a total of 34 outlets which opened their first location prior to calendar year 2025 and offered holiday light services in calendar year 2025. As noted above, some franchisees operate more than 1 outlet under the same legal entity. Therefore, these revenue, job count and ticket price numbers cannot be extrapolated to the potential operation of a single outlet.
2. The number and corresponding percentage of franchisees which exceeded the average figures are shown in bold italics below each metric in this column.
3. Ticket Price represents each franchisee’s total revenue divided by total job count, averaged across the reporting franchisees.

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**TABLE 8 – 2025 QUARTILE PERFORMANCE (HOLIDAY LIGHT SERVICE LINE)<sup>1,2</sup>**

**Revenue**

<u>Quartile</u>	<u>Average</u>	<u>Median</u>	<u>High</u>	<u>Low</u>
Top Quartile	\$344,478	\$342,223	\$497,198	\$241,623
2 <sup>nd</sup> Quartile	\$160,680	\$144,061	\$221,610	\$132,989
3 <sup>rd</sup> Quartile	\$119,367	\$121,786	\$130,934	\$103,318
4 <sup>th</sup> Quartile	\$65,392	\$78,444	\$84,807	\$25,872

**Job Count**

<u>Quartile</u>	<u>Average</u>	<u>Median</u>	<u>High</u>	<u>Low</u>
Top Quartile	142	137	181	113
2 <sup>nd</sup> Quartile	95	94	104	89
3 <sup>rd</sup> Quartile	60	64	71	46
4 <sup>th</sup> Quartile	32	32	42	22

**Ticket Price<sup>3</sup>**

<u>Quartile</u>	<u>Average</u>	<u>Median</u>	<u>High</u>	<u>Low</u>
Top Quartile	\$3,402	\$2,461	\$4,737	\$2,256
2 <sup>nd</sup> Quartile	\$2,034	\$2,033	\$2,085	\$1,986
3 <sup>rd</sup> Quartile	\$1,776	\$1,763	\$1,936	\$1,635
4 <sup>th</sup> Quartile	\$1,377	\$1,427	\$1,453	\$1,201

Notes for Table 8:

1. Based on CRM entity level data for the 18 franchisees operating a total of 34 outlets which opened their first location prior to calendar year 2025 and offered holiday light services in calendar year 2025. As noted above, some franchisees operate more than 1 outlet under the same legal entity. Therefore, these revenue, job count and ticket price numbers cannot be extrapolated to the potential operation of a single outlet.
2. The 18 franchisees are divided into quartiles as follows: Top Quartile – 5 franchisees (all 5 operating 3 outlets), 2<sup>nd</sup> Quartile – 5 franchisees (1 operating 3 outlets, 4 operating 2 outlets), 3<sup>rd</sup> Quartile – 4 franchisees (all 4 operating a single outlet), and 4<sup>th</sup> Quartile – 4 franchisees (all 4 operating a single outlet).
3. Ticket Price represents each franchisee’s total revenue divided by total job count, averaged across the reporting franchisees.

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**c. Non-Holiday Light Performance for Revenue and Customers**

**TABLE 9 – 2025 REVENUE AND JOB METRICS (NON-HOLIDAY LIGHT SERVICE LINE)<sup>1</sup>**

<u>Metric</u>	<u>Average<sup>2</sup></u>	<u>Median</u>	<u>High</u>	<u>Low</u>
<b>Revenue</b>	\$56,944 <b><i>4 (40%)</i></b>	\$23,556	\$160,094	\$4,755
<b>Job Count</b>	12 <b><i>3 (30%)</i></b>	3	35	1
<b>Ticket Price<sup>3</sup></b>	\$6,506 <b><i>4 (40%)</i></b>	\$5,638	\$12,017	\$2,405

Notes for Table 9:

1. Based on CRM entity level data for the 10 franchisees operating a total of 22 outlets which opened their first location prior to calendar year 2025 and offered non-holiday light services in calendar year 2025. As noted above, some franchisees operate more than 1 outlet under the same legal entity. Therefore, these revenue, job count and ticket price numbers cannot be extrapolated to the potential operation of a single outlet.
2. The number and corresponding percentage of franchisees which exceeded the average figures are shown in bold italics below each metric in this column.
3. Ticket Price represents each franchisee’s total revenue divided by total job count, averaged across the reporting franchisees.

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**TABLE 10 – 2025 QUARTILE PERFORMANCE (NON-HOLIDAY LIGHT SERVICE LINE)<sup>1,2</sup>**

<u>Quartile</u>	<u>Revenue</u>			
	<u>Average</u>	<u>Median</u>	<u>High</u>	<u>Low</u>
Top Quartile	\$142,263	\$152,805	\$160,094	\$113,889
2 <sup>nd</sup> Quartile	\$45,684	45,684	\$63,757	27,611
3 <sup>rd</sup> Quartile	\$13,106	12,017	19,500	7,800
4 <sup>th</sup> Quartile	\$5,985	\$5,985	\$7,215	\$4,755