

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 this 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.

As of the date of this Disclosure Document, we have one franchised location open and operating, in Boca Raton, Florida. Our affiliates have operated three corporate-owned restaurants for many years: one located at 1551 2nd Avenue, New York, NY 10028 ("Upper East Side Location"); one located at 526 Columbus Avenue, New York, NY 10024 ("Upper West Side Location"); and one located in Moynihan Train Hall, 421 8th Avenue, New York, NY 10199 ("Moynihan Train Hall Location"). The tables below present certain historical performance information for these three locations, which are referred to collectively as the "Corporate Locations". The H&H Bagels brand has been operating at the Upper East Side Location since 1974. Our affiliate, P.V. Bakery, Inc. has owned and operated that location since 1989. The Upper West Side Location has been owned and operated by our affiliate Columbus Bakery LLC since 2016. The Moynihan Train Hall Location is owned by our affiliate MTH Bakery LLC and has been operating since December 2021. In addition to the Corporate Locations, our affiliate Kips Bay Bakery LLC opened a corporate-owned restaurant in April 2024, located at 429 3rd Avenue, New York, NY 10016 ("Kips Bay Location"); and our affiliate Penn Bakery LLC opened a corporate-owned restaurant in June 2024, located at Penn 1, LIRR Concourse, New York, NY 10119 ("Penn Station Location"). Since the Kips Bay Location and the Penn Station Location only began operating in mid-2024, we do not yet have any meaningful information on their performance, and we have not included them in this Item 19.

While the Corporate Locations are similar to the franchised restaurant you will operate, they differ in at least the following respects. The Corporation Locations have no obligation to pay royalties or contribute to the Brand Fund. The Corporate Locations are also in highly competitive, urban residential areas, and your franchised restaurant may not be located in that type of environment. In addition, until early 2024, the Upper East Side Location conducted certain wholesale business operations, but your franchised restaurant will not do so. Lastly, the H&H Bagels brand has achieved iconic status in New York City, and the Corporate Locations benefit from the associated customer goodwill.

The following data provide some insights into the operations of the Corporate Locations:

Upper East Side Location^{1,2,3}

	FY 2021	FY 2022	FY 2023	FY 2024
UES Gross Sales²	\$3,390,942	\$3,998,563	\$3,711,448	\$3,153,260
Transactions	216,526	231,735	205,507	163,721
Average Ticket	\$15.66	\$17.25	\$18.06	\$19.26
Imputed Royalty Fees (6% of Gross Sales)	\$203,457	\$239,914	\$222,687	\$189,196
Imputed Brand Fund Contribution (2% of Gross Sales)	\$67,819	\$79,971	\$74,229	\$63,065
Cost of Goods Sold (COGS)	33.2%	38.2%	37.1%	36.4%
Labor Costs (Incl. Payroll Taxes)	26.1%	26.3%	25.0%	22.0%

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Upper West Side Location^{1,2}

	FY 2021	FY 2022	FY 2023	FY 2024
UWS Gross Sales²	\$1,730,621	\$1,540,439	\$1,644,575	\$1,553,961
Transactions	115,280	100,373	106,713	99,807
Average Ticket	\$15.01	\$15.35	\$15.41	\$15.57
Imputed Royalty Fees (6% of Gross Sales)	\$103,837	\$92,426	\$98,575	\$93,238
Imputed Brand Fund Contribution (2% of Gross Sales)	\$34,612	\$30,809	\$32,892	\$31,079
Cost of Goods Sold (COGS)	29.6%	36.3%	37.3%	37.2%
Labor Costs (Incl. Payroll Taxes)	25.8%	19.5%	17.5%	18.8%

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Moynihan Train Hall Location^{1,2}

	FY 2022	FY 2023	FY 2024
MTH Gross Sales²	\$2,026,055	\$2,928,831	\$3,144,795
Transactions	214,448	285,271	288,420
Average Ticket	\$9.45	\$10.27	\$10.90
Imputed Royalty Fees (6% of Gross Sales)	\$121,563	\$175,730	\$188,688
Imputed Brand Fund Contribution (2% of Gross Sales)	\$40,521	\$58,577	\$62,896
Cost of Goods Sold (COGS)	36.0%	36.2%	36.5%
Labor Costs (Incl. Payroll Taxes)	17.8%	15.3%	16.4%

NOTES:

1. As noted above, the Corporation Locations have no obligation to pay royalties or contribute to the Brand Fund. However, for your reference, we have included imputed royalty amounts (6% of Gross Sales) and Brand Fund contributions (2% of Gross Sales) in the tables above. Also, note that the Moynihan Train Hall Location only began operating in December 2021.

2. The UES Gross Sales, UWS Gross Sales, and MTH Gross Sales figures in the respective tables above represent all retail sales at the applicable Corporate Location, excluding discounts, returns, and sales taxes.

3. Historically, the Upper East Side Location conducted certain wholesale business operations, which your franchised restaurant will not do. Accordingly, the UES Gross Sales, Transactions, and Average Ticket figures in the table relate only to the retail sales operations at the Upper East Side Location, but the Cost of Goods Sold and Labor Costs figures are inclusive of the costs of the wholesale business operations conducted at that location until the end of January 2024.

Our Corporate Locations have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised restaurant. Franchisees or former franchisees listed in this disclosure document may be one source of information.

Written substantiation of the data used in preparing this financial performance representation will be made available to you upon reasonable written request.

Other than the financial performance representation in this Item 19, 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 Jay Rushin, H&H Bagels Franchising LLC at 109 W. 27th Street, Suite #3B, New York, NY 10001, 646-669-9165; the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20.

OUTLETS AND FRANCHISEE INFORMATION

(Table No. 1)
System-wide Outlet Summary
For Years 2022 to 2024*

Outlet Type	Year	Outlets Operating at the Start of the Year	Outlets Operating at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	1	+1
Company-Owned	2022	3	3	0
	2023	3	3	0
	2024	3	5	+2
Total Outlets	2022	3	3	0
	2023	3	3	0
	2024	3	6	+3

* All numbers are as of December 31 for each year.