

**ITEM 18
PUBLIC FIGURES**

We do not use any public figure to promote the franchise. No public figure is involved in our actual management or control.

**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.

This Item 19 includes information regarding franchised Buddy's Retail Businesses ("Franchised Businesses") and Buddy's Retail Businesses owned during the reporting period by our predecessor, Buddy's Newco ("Company-owned Businesses"). Company-owned Businesses for which information is included in this Item 19 are similar to your Retail Business in the products and services offered, although all Buddy's Retail Businesses are not identical in size or appearance.

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**Average Annual Gross Sales
for Fiscal Year 2025 Franchised Businesses**

At the end of fiscal year 2025, there were 191 Franchised Businesses, 3 of which opened after December 28, 2024. Tables 1-A and 1-B include certain information regarding the actual historical average annual Gross Sales for fiscal year 2025 for the 188 Franchised Businesses that operated for all of fiscal year 2025 (the “2025 Franchised Businesses”). The 107 Franchised Businesses that closed during fiscal year 2025, none of which Franchised Businesses closed after being open less than 12 months, have not been included in the data set for these Tables.

Description of Table 1-A

Table 1-A reflects, for fiscal year 2025, the actual historical average annual Gross Sales for each quartile and all 2025 Franchised Businesses. The 2025 Franchised Businesses are of varying sizes and located in both urban/metro markets and suburban markets and in strip centers and free-standing locations.

Table 1-A										
Statement of Average Gross Sales										
Buddy's Home Furnishings Franchise Retail Businesses Open at Least 12 Months										
Fiscal Year 2025										
	Top Quartile		2nd Quartile		3rd Quartile		4th Quartile		All	
	Average	%	Average	%	Average	%	Average	%	Average	%
Rental Revenue (Note 1)	\$ 1,096,900	96.0%	\$ 729,025	95.7%	\$ 568,233	95.6%	\$ 401,960	94.4%	\$ 699,030	95.6%
Other Revenue (Note 2)	\$ 46,189	4.0%	\$ 32,777	4.3%	\$ 26,227	4.4%	\$ 23,792	5.6%	\$ 32,246	4.4%
Gross Sales (Note 3)	\$ 1,143,089	100.0%	\$ 761,803	100.0%	\$ 594,461	100.0%	\$ 425,752	100.0%	\$ 731,276	100.0%
Number of Retail Businesses in Sample	47		47		47		47		188	

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Description of Table 1-B

Table 1-B is the derivation statement for the average annual Gross Sales information included in Table 1-A and reflects, for fiscal year 2025, for each quartile and all 2025 Franchised Businesses, the actual historical lowest Gross Sales, highest Gross Sales, average Gross Sales, median Gross Sales, and the number and percent of 2025 Franchised Businesses meeting or exceeding average Gross Sales. This information is calculated for each category in the Table and does not represent one 2025 Franchised Business across all categories. Thus, the lowest and highest numbers for a particular category may represent results for different 2025 Franchised Businesses.

TABLE 1-B					
Derivation Statement of Average Gross Sales					
Buddy's Home Furnishings Franchise Retail Businesses Open at Least 12 Months					
Fiscal Year 2025					
Total Gross Sales	Top Quartile	2nd Quartile	3rd Quartile	4th Quartile	All
Min	\$ 881,120	\$ 670,993	\$ 522,516	\$ 210,242	\$ 210,242
Max	\$ 2,027,133	\$ 864,746	\$ 669,385	\$ 518,702	\$ 2,027,133
Average	\$ 1,143,089	\$ 761,803	\$ 594,461	\$ 425,752	\$ 731,276
Median	\$ 1,045,860	\$ 770,326	\$ 593,405	\$ 453,279	\$ 670,189
Stores >= average	17	24	23	29	78
Percent >= average	36%	51%	49%	62%	41%
Number of Retail Businesses in Sample	47	47	47	47	188

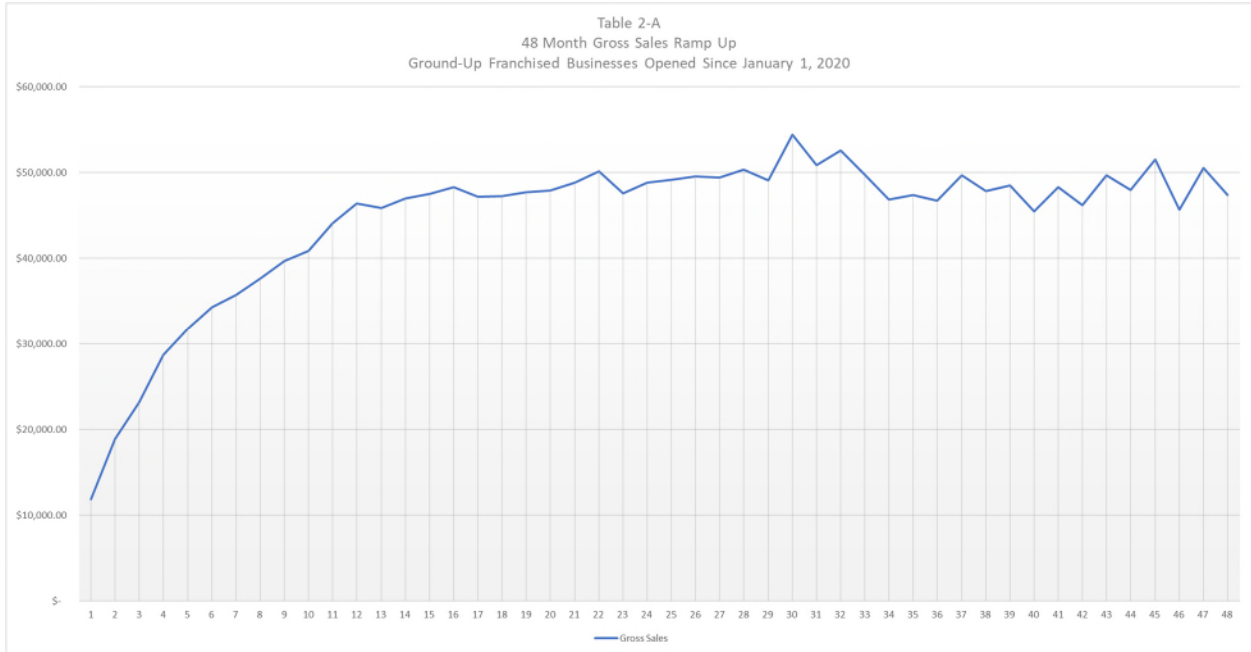
Analysis of 48-Month Gross Sales Ramp-Up

for Ground-Up Franchised Businesses Opened After January 1, 2020

Table 2-A sets forth certain actual historical information regarding Gross Sales ramp-up for the first 48 months of operation for Franchised Businesses that: (a) commenced operations after January 1, 2020; (b) had operated for at least one full month as of December 31, 2025; and (c) were developed from the ground-up, and have at all times been owned and operated, by Buddy's franchisees ("Ground-Up Franchised Businesses"). Only 27 of the 191 Franchised Businesses operating as of the end of fiscal year 2025 met the preceding criteria for inclusion in the Ground-Up Franchised Businesses data set for Tables 2-A and 2-B. There were no Franchised Businesses that met the preceding criteria but were closed prior to December 31, 2025. For purposes of this graph, Month 1 is the first full calendar month of operation of the applicable Franchised Business.

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Table 2-B, which is below the graph, provides for the 27 Franchised Businesses whose results are represented in Table 2-A: the average Gross Sales for each of the 48 months (see column titled “Average”) and the number of Ground-Up Franchised Businesses that operated during the entire month and whose Gross Sales were factored in when determining the average Gross Sales for that month (see column titled “StoreCount”). The Table also provides, for each month, the lowest, highest, and median Gross Sales and the number and percent of applicable Ground-up Franchised Businesses that met or exceeded the average Gross Sales.



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Table 2-B							
48 Month Gross Sales Ramp-up							
Ground-Up Franchised Businesses Opened Since January 1, 2020							
Month	Average	Min	Max	Median	Number >= Average	Percent >= Average	StoreCount
1	\$ 11,890.27	\$ 3,604.35	\$ 22,570.15	\$ 11,885.73	13	48%	27
2	\$ 18,938.30	\$ 7,849.46	\$ 32,856.09	\$ 18,108.63	12	44%	27
3	\$ 23,163.35	\$ 10,096.78	\$ 41,446.81	\$ 22,582.75	13	48%	27
4	\$ 28,740.36	\$ 12,108.81	\$ 59,478.77	\$ 26,796.96	12	44%	27
5	\$ 31,832.64	\$ 19,754.94	\$ 65,265.45	\$ 31,096.21	11	41%	27
6	\$ 34,304.74	\$ 16,408.32	\$ 58,916.97	\$ 34,064.40	13	48%	27
7	\$ 35,737.02	\$ 14,173.18	\$ 62,524.66	\$ 36,124.27	15	56%	27
8	\$ 37,633.25	\$ 16,875.65	\$ 70,356.58	\$ 35,288.02	13	48%	27
9	\$ 39,686.74	\$ 20,904.08	\$ 75,403.42	\$ 39,585.53	13	48%	27
10	\$ 40,854.80	\$ 18,203.23	\$ 68,048.91	\$ 42,207.09	14	54%	26
11	\$ 44,094.90	\$ 15,416.56	\$ 86,977.82	\$ 42,570.00	11	42%	26
12	\$ 46,418.07	\$ 20,343.55	\$ 94,608.27	\$ 41,191.18	10	38%	26
13	\$ 45,907.70	\$ 14,438.69	\$ 91,355.43	\$ 45,151.55	11	42%	26
14	\$ 46,993.08	\$ 16,040.58	\$ 93,807.37	\$ 45,153.51	10	42%	24
15	\$ 47,539.22	\$ 14,743.68	\$ 100,434.08	\$ 45,304.41	9	38%	24
16	\$ 48,350.74	\$ 13,807.25	\$ 92,842.94	\$ 48,037.89	12	50%	24
17	\$ 47,197.66	\$ 18,392.95	\$ 91,483.81	\$ 45,484.34	10	42%	24
18	\$ 47,286.62	\$ 18,206.77	\$ 99,094.74	\$ 46,788.60	11	46%	24
19	\$ 47,741.99	\$ 16,878.46	\$ 84,937.07	\$ 47,174.21	11	48%	23
20	\$ 47,954.38	\$ 17,171.05	\$ 101,243.67	\$ 46,151.59	9	41%	22
21	\$ 48,879.66	\$ 20,509.65	\$ 92,357.02	\$ 49,131.00	11	52%	21
22	\$ 50,130.97	\$ 18,749.21	\$ 95,362.27	\$ 49,846.81	9	43%	21
23	\$ 47,623.71	\$ 20,959.77	\$ 84,026.47	\$ 45,260.25	8	40%	20
24	\$ 48,849.25	\$ 21,840.87	\$ 85,291.48	\$ 43,541.66	6	35%	17
25	\$ 49,147.09	\$ 20,229.55	\$ 82,181.17	\$ 46,340.12	7	41%	17
26	\$ 49,572.20	\$ 17,945.36	\$ 92,907.01	\$ 46,690.87	6	38%	16
27	\$ 49,418.21	\$ 19,350.56	\$ 93,686.99	\$ 48,065.01	8	50%	16
28	\$ 50,365.44	\$ 19,358.02	\$ 98,104.13	\$ 47,165.26	6	38%	16
29	\$ 49,107.49	\$ 16,395.45	\$ 94,291.68	\$ 50,711.35	9	56%	16
30	\$ 54,426.23	\$ 17,158.88	\$ 100,634.81	\$ 56,519.76	8	53%	15
31	\$ 50,898.95	\$ 16,020.27	\$ 81,447.84	\$ 52,352.92	8	53%	15
32	\$ 52,566.45	\$ 14,143.51	\$ 85,874.71	\$ 51,459.12	7	47%	15
33	\$ 49,740.65	\$ 14,700.66	\$ 85,257.02	\$ 51,869.64	7	50%	14
34	\$ 46,881.62	\$ 12,638.08	\$ 72,410.65	\$ 47,766.67	8	57%	14
35	\$ 47,368.85	\$ 13,031.02	\$ 84,156.67	\$ 46,603.03	7	50%	14
36	\$ 46,736.27	\$ 15,368.44	\$ 73,985.12	\$ 47,866.08	7	50%	14
37	\$ 49,682.08	\$ 16,134.81	\$ 83,103.70	\$ 50,410.50	6	50%	12
38	\$ 47,888.26	\$ 17,569.85	\$ 66,993.18	\$ 56,034.14	6	55%	11
39	\$ 48,503.19	\$ 16,641.00	\$ 76,745.81	\$ 47,841.66	5	45%	11
40	\$ 45,472.61	\$ 16,808.98	\$ 64,346.60	\$ 50,122.93	6	55%	11
41	\$ 48,348.31	\$ 23,441.04	\$ 67,212.05	\$ 57,591.08	6	55%	11
42	\$ 46,222.09	\$ 21,757.25	\$ 92,157.37	\$ 43,531.20	4	44%	9
43	\$ 49,690.87	\$ 21,693.46	\$ 74,137.42	\$ 52,845.57	4	50%	8
44	\$ 47,971.55	\$ 22,242.95	\$ 97,726.65	\$ 41,351.97	3	43%	7
45	\$ 51,534.60	\$ 25,733.72	\$ 90,399.84	\$ 48,796.25	3	50%	6
46	\$ 45,694.39	\$ 21,515.75	\$ 69,574.55	\$ 44,620.27	2	40%	5
47	\$ 50,526.69	\$ 22,834.35	\$ 89,975.24	\$ 44,648.59	2	50%	4
48	\$ 47,402.09	\$ 20,053.90	\$ 73,432.64	\$ 48,060.91	2	50%	4

**Average Gross Sales and Expenses
for 2025 Company-Owned Businesses**

At the end of fiscal 2025, there were 32 Company-owned Businesses, all of which operated for all of fiscal year 2025 (the “2025 Company-owned Businesses”). Tables 3-A and 3-B include certain information regarding the actual historical average Gross Sales and Expenses for fiscal year 2025 for the 2025 Company-owned Businesses. The one Company-owned Business that was sold to a franchisee during fiscal year 2025, which Company-owned Business was not sold after being open less than 12 months, has not been included in the data set for these Tables. During fiscal year 2025, no Company-owned Business was closed.

The Tables reflect, for fiscal year 2025, the average annual Gross Sales and Expenses of the 2025 Company-owned Businesses and, for each category, the lowest, highest, median, and number and percent of 2025 Company-owned Businesses meeting or exceeding the average.

Description of Table 3-A

Table 3-A reflects, for fiscal year 2025, the actual historical average Gross Sales, Total Cost of Goods, Gross Profit, Total Expenses, Earnings Contribution, Operating Cash Flow, and Free Cash Flow for each quartile and all 2025 Company-owned Businesses. We report all our financials on an accrual basis. To determine which 2025 Company-owned Businesses fell in each quartile, we ranked the 2025 Company-owned Businesses based on their annual Gross Sales and separated them into quartiles containing from top to bottom, respectively, 8, 8, 8, and 8 2025 Company-owned Businesses.

Table 3-A Statement of Average Gross Sales and Expenses For Buddy's Home Furnishings Retail Businesses Open at Least 12 Months Fiscal Year 2025										
	Top Quartile		2nd Quartile		3rd Quartile		4th Quartile		All	
Sales	Average	%	Average	%	Average	%	Average	%	Average	%
Rental Revenue (Note 1)	\$ 1,084,864	77.4%	\$ 749,841	77.2%	\$ 649,720	76.7%	\$ 524,540	76.4%	\$ 752,241	77.0%
Other Revenue (Note 2)	\$ 316,933	22.6%	\$ 221,472	22.8%	\$ 197,564	23.3%	\$ 162,035	23.6%	\$ 224,501	23.0%
Gross Sales (Note 3)	\$ 1,401,797	100.0%	\$ 971,312	100.0%	\$ 847,284	100.0%	\$ 686,575	100.0%	\$ 976,742	100.0%
Total Cost of Goods (Note 4)	\$ 412,564	29.4%	\$ 311,895	32.1%	\$ 273,717	32.3%	\$ 221,117	32.2%	\$ 304,823	31.2%
Gross Profit (Note 5)	\$ 989,234	70.6%	\$ 659,417	67.9%	\$ 573,567	67.7%	\$ 465,458	67.8%	\$ 671,919	68.8%
Expenses										
Personnel (Note 6)	\$ 329,918	23.5%	\$ 248,385	25.6%	\$ 239,172	28.2%	\$ 220,573	32.1%	\$ 259,512	26.6%
Occupancy (Note 7)	\$ 111,787	8.0%	\$ 114,850	11.8%	\$ 112,517	13.3%	\$ 125,038	18.2%	\$ 116,048	11.9%
Marketing (Note 8)	\$ 37,136	2.6%	\$ 28,526	2.9%	\$ 26,046	3.1%	\$ 22,831	3.3%	\$ 28,635	2.9%
Delivery/Vehicle (Note 9)	\$ 38,426	2.7%	\$ 39,834	4.1%	\$ 39,503	4.7%	\$ 33,599	4.9%	\$ 37,840	3.9%
G&A (Note 10)	\$ 62,110	4.4%	\$ 57,459	5.9%	\$ 51,110	6.0%	\$ 44,857	6.5%	\$ 53,884	5.5%
IT Fee (Note 11)	\$ 14,717	1.0%	\$ 14,180	1.5%	\$ 14,437	1.7%	\$ 14,151	2.1%	\$ 14,371	1.5%
Royalty (Note 12)	\$ 84,108	6.0%	\$ 58,279	6.0%	\$ 50,837	6.0%	\$ 41,194	6.0%	\$ 58,605	6.0%
Total Expenses (Note 13)	\$ 678,202	48.4%	\$ 561,513	57.8%	\$ 533,622	63.0%	\$ 502,245	73.2%	\$ 568,895	58.2%
Earnings Contribution (Note 14)	\$ 311,032	22.2%	\$ 97,905	10.1%	\$ 39,946	4.7%	\$ (36,787)	-5.4%	\$ 103,024	10.5%
Cash Flow Summary										
Non-cash expenses										
Earnings Contribution (Note 14)	\$ 311,032	22.2%	\$ 97,905	10.1%	\$ 39,946	4.7%	\$ (36,787)	-5.4%	\$ 103,024	10.5%
Depreciation (Note 15)	\$ 286,159	20.4%	\$ 212,975	21.9%	\$ 186,951	22.1%	\$ 147,844	21.5%	\$ 208,482	21.3%
Other (Note 16)	\$ 64,819	4.6%	\$ 44,938	4.6%	\$ 39,323	4.6%	\$ 44,659	6.5%	\$ 48,435	5.0%
RBV Skips and Stolen (Note 17)	\$ 27,805	2.0%	\$ 34,501	3.6%	\$ 27,711	3.3%	\$ 22,940	3.3%	\$ 28,239	2.9%
Operating Cash Flow (Note 18)	\$ 689,814	49.2%	\$ 390,319	40.2%	\$ 293,930	34.7%	\$ 178,656	26.0%	\$ 388,180	39.7%
Inventory purchases (Note 19)	\$ (299,982)	-21.4%	\$ (260,723)	-26.8%	\$ (271,819)	-32.1%	\$ (227,250)	-33.1%	\$ (264,943)	-27.1%
Cap Ex (Note 20)	\$ (50,919)	-3.6%	\$ (34,006)	-3.5%	\$ (22,781)	-2.7%	\$ (37,885)	-5.5%	\$ (36,398)	-3.7%
Free Cash Flow (Note 21)	\$ 338,913	24.2%	\$ 95,591	9.8%	\$ (670)	-0.1%	\$ (86,479)	-12.6%	\$ 86,839	8.9%
Number of Retail Businesses in Sample	8		8		8		8		32	

Description of Table 3-B

Table 3-B is the derivation statement for the data included in Table 3-A and reflects, for each applicable line item identified in Table 3-A, the actual historical lowest, highest, average, and median figure, and number and percent of 2025 Company-owned Businesses meeting or exceeding the applicable average for each quartile and all 2025 Company-owned Businesses.

This information is calculated for each category and does not represent a single 2025 Company-owned Business across all categories. They are the highest and lowest values for the 2025 Company-owned Businesses included in that category. Thus, the lowest and highest numbers may represent results for different 2025 Company-owned Businesses.

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TABLE 3-B					
Derivation Statement of Average Gross Sales and Expenses					
For Buddy's Home Furnishings Retail Businesses Open at Least 12 Months					
Fiscal Year 2025					
	Top Quartile	2nd Quartile	3rd Quartile	4th Quartile	All
Number of Stores in Sample	8	8	8	8	32
Rental Revenue					
Min	\$ 788,615	\$ 695,982	\$ 627,389	\$ 402,359	\$ 402,359
Max	\$ 1,663,807	\$ 789,171	\$ 696,490	\$ 587,417	\$ 1,663,807
Average	\$ 1,084,864	\$ 749,841	\$ 649,720	\$ 524,540	\$ 752,241
Median	\$ 1,027,832	\$ 750,097	\$ 645,010	\$ 540,245	\$ 696,236
Stores >= average	3	4	4	6	12
Percent >= average	38%	50%	50%	75%	38%
Other Revenue					
Min	\$ 259,757	\$ 203,685	\$ 183,516	\$ 112,629	\$ 112,629
Max	\$ 413,424	\$ 248,115	\$ 214,260	\$ 182,230	\$ 413,424
Average	\$ 316,933	\$ 221,472	\$ 197,564	\$ 162,035	\$ 224,501
Median	\$ 309,563	\$ 215,716	\$ 198,131	\$ 167,732	\$ 208,206
Stores >= average	2	3	4	5	11
Percent >= average	25%	38%	50%	63%	34%
Gross Sales					
Min	\$ 1,048,372	\$ 904,584	\$ 812,053	\$ 514,987	\$ 514,987
Max	\$ 2,077,231	\$ 1,035,247	\$ 895,560	\$ 765,958	\$ 2,077,231
Average	\$ 1,401,797	\$ 971,312	\$ 847,284	\$ 686,575	\$ 976,742
Median	\$ 1,334,489	\$ 964,364	\$ 848,146	\$ 707,448	\$ 900,072
Stores >= average	3	4	4	5	10
Percent >= average	38%	50%	50%	63%	31%
Total Cost of Goods					
Min	\$ 335,558	\$ 284,788	\$ 248,156	\$ 165,773	\$ 165,773
Max	\$ 622,987	\$ 396,354	\$ 297,600	\$ 260,447	\$ 622,987
Average	\$ 412,564	\$ 311,895	\$ 273,717	\$ 221,117	\$ 304,823
Median	\$ 368,943	\$ 301,506	\$ 275,662	\$ 222,208	\$ 286,987
Stores >= average	2	3	4	4	12
Percent >= average	25%	38%	50%	50%	38%

Gross Profit					
Min	\$ 712,814	\$ 619,796	\$ 518,337	\$ 349,215	\$ 349,215
Max	\$ 1,454,244	\$ 746,994	\$ 617,323	\$ 531,981	\$ 1,454,244
Average	\$ 989,234	\$ 659,417	\$ 573,567	\$ 465,458	\$ 671,919
Median	\$ 940,815	\$ 650,986	\$ 574,229	\$ 489,105	\$ 618,559
Stores >= average	3	2	4	6	10
Percent >= average	38%	25%	50%	75%	31%
Personnel Expense					
Min	\$ 272,629	\$ 217,510	\$ 207,491	\$ 193,428	\$ 193,428
Max	\$ 464,956	\$ 289,682	\$ 269,316	\$ 242,500	\$ 464,956
Average	\$ 329,918	\$ 248,385	\$ 239,172	\$ 220,573	\$ 259,512
Median	\$ 319,812	\$ 248,159	\$ 240,670	\$ 220,805	\$ 247,440
Stores >= average	3	4	4	4	12
Percent >= average	38%	50%	50%	50%	38%
Occupancy Expense					
Min	\$ 75,157	\$ 85,865	\$ 98,092	\$ 82,373	\$ 75,157
Max	\$ 146,312	\$ 143,955	\$ 136,082	\$ 163,753	\$ 163,753
Average	\$ 111,787	\$ 114,850	\$ 112,517	\$ 125,038	\$ 116,048
Median	\$ 109,843	\$ 116,563	\$ 106,783	\$ 130,979	\$ 111,478
Stores >= average	3	4	3	5	14
Percent >= average	38%	50%	38%	63%	44%
Marketing Expense					
Min	\$ 30,067	\$ 27,192	\$ 25,341	\$ 19,400	\$ 19,400
Max	\$ 50,645	\$ 29,805	\$ 27,011	\$ 24,419	\$ 50,645
Average	\$ 37,136	\$ 28,526	\$ 26,046	\$ 22,831	\$ 28,635
Median	\$ 35,790	\$ 28,387	\$ 26,063	\$ 23,249	\$ 27,101
Stores >= average	3	4	4	5	10
Percent >= average	38%	50%	50%	63%	31%
Delivery/Vehicle					
Min	\$ 32,283	\$ 22,688	\$ 31,813	\$ 23,388	\$ 22,688
Max	\$ 42,554	\$ 61,573	\$ 48,198	\$ 44,459	\$ 61,573
Average	\$ 38,426	\$ 39,834	\$ 39,503	\$ 33,599	\$ 37,840
Median	\$ 39,864	\$ 38,659	\$ 40,045	\$ 37,932	\$ 38,583
Stores >= average	5	4	4	5	19
Percent >= average	63%	50%	50%	63%	59%
G&A					
Min	\$ 47,530	\$ 49,628	\$ 46,066	\$ 40,119	\$ 40,119
Max	\$ 78,766	\$ 68,097	\$ 57,425	\$ 51,646	\$ 78,766
Average	\$ 62,110	\$ 57,459	\$ 51,110	\$ 44,857	\$ 53,884
Median	\$ 59,906	\$ 56,984	\$ 49,745	\$ 44,829	\$ 52,066
Stores >= average	3	4	3	4	13
Percent >= average	38%	50%	38%	50%	41%

IT Fee					
Min	\$ 13,433	\$ 13,769	\$ 13,900	\$ 13,611	\$ 13,433
Max	\$ 16,061	\$ 14,540	\$ 15,987	\$ 15,229	\$ 16,061
Average	\$ 14,717	\$ 14,180	\$ 14,437	\$ 14,151	\$ 14,371
Median	\$ 14,746	\$ 14,257	\$ 14,213	\$ 13,849	\$ 14,280
Stores >= average	4	5	3	3	14
Percent >= average	50%	63%	38%	38%	44%
Royalty					
Min	\$ 62,902	\$ 54,275	\$ 48,723	\$ 30,899	\$ 30,899
Max	\$ 124,634	\$ 62,115	\$ 53,734	\$ 45,957	\$ 124,634
Average	\$ 84,108	\$ 58,279	\$ 50,837	\$ 41,194	\$ 58,605
Median	\$ 80,069	\$ 57,862	\$ 50,889	\$ 42,447	\$ 54,004
Stores >= average	3	4	4	5	10
Percent >= average	38%	50%	50%	63%	31%
Total Expenses					
Min	\$ 541,745	\$ 515,328	\$ 491,245	\$ 431,868	\$ 431,868
Max	\$ 899,392	\$ 620,720	\$ 570,421	\$ 561,878	\$ 899,392
Average	\$ 678,202	\$ 561,513	\$ 533,622	\$ 502,245	\$ 568,895
Median	\$ 662,023	\$ 560,786	\$ 532,562	\$ 498,676	\$ 552,082
Stores >= average	2	4	4	4	11
Percent >= average	25%	50%	50%	50%	34%
Earnings Contribution					
Min	\$ 67,669	\$ 26,857	\$ (38,893)	\$ (109,782)	\$ (109,782)
Max	\$ 554,852	\$ 195,859	\$ 87,184	\$ 38,876	\$ 554,852
Average	\$ 311,032	\$ 97,905	\$ 39,946	\$ (36,787)	\$ 103,024
Median	\$ 308,665	\$ 96,727	\$ 42,930	\$ (42,428)	\$ 50,960
Stores >= average	3	4	4	4	11
Percent >= average	38%	50%	50%	50%	34%
Depreciation					
Min	\$ 225,934	\$ 196,605	\$ 170,293	\$ 114,690	\$ 114,690
Max	\$ 439,683	\$ 234,124	\$ 196,890	\$ 163,869	\$ 439,683
Average	\$ 286,159	\$ 212,975	\$ 186,951	\$ 147,844	\$ 208,482
Median	\$ 257,978	\$ 211,849	\$ 189,452	\$ 151,086	\$ 196,748
Stores >= average	3	4	5	4	13
Percent >= average	38%	50%	63%	50%	41%

Other non-cash expenses					
Min	\$ 45,630	\$ 32,832	\$ 27,012	\$ 31,732	\$ 27,012
Max	\$ 100,669	\$ 57,733	\$ 55,553	\$ 61,071	\$ 100,669
Average	\$ 64,819	\$ 44,938	\$ 39,323	\$ 44,659	\$ 48,435
Median	\$ 56,112	\$ 47,238	\$ 35,178	\$ 41,631	\$ 46,478
Stores >= average	2	5	3	3	15
Percent >= average	25%	63%	38%	38%	47%
RBV Skips and Stolen					
Min	\$ 7,202	\$ 13,561	\$ 6,488	\$ 9,990	\$ 6,488
Max	\$ 64,191	\$ 87,395	\$ 58,975	\$ 40,697	\$ 87,395
Average	\$ 27,805	\$ 34,501	\$ 27,711	\$ 22,940	\$ 28,239
Median	\$ 26,796	\$ 29,864	\$ 25,676	\$ 20,413	\$ 25,616
Stores >= average	4	2	4	3	15
Percent >= average	50%	25%	50%	38%	47%
Operating Cash Flow					
Min	\$ 479,014	\$ 314,972	\$ 243,784	\$ 84,881	\$ 84,881
Max	\$ 1,127,867	\$ 474,516	\$ 343,777	\$ 256,402	\$ 1,127,867
Average	\$ 689,814	\$ 390,319	\$ 293,930	\$ 178,656	\$ 388,180
Median	\$ 624,293	\$ 398,233	\$ 304,969	\$ 179,970	\$ 317,338
Stores >= average	3	5	5	4	13
Percent >= average	38%	63%	63%	50%	41%
Inventory purchases					
Min	\$ 159,536	\$ 136,451	\$ 195,175	\$ 152,793	\$ 136,451
Max	\$ 380,680	\$ 345,501	\$ 407,119	\$ 303,951	\$ 407,119
Average	\$ 299,982	\$ 260,723	\$ 271,819	\$ 227,250	\$ 264,943
Median	\$ 310,729	\$ 269,672	\$ 259,115	\$ 223,170	\$ 272,303
Stores >= average	5	4	3	3	17
Percent >= average	63%	50%	38%	38%	53%
Cap Ex					
Min	\$ -	\$ -	\$ -	\$ -	\$ -
Max	\$ 245,328	\$ 158,721	\$ 180,453	\$ 196,321	\$ 245,328
Average	\$ 50,919	\$ 34,006	\$ 22,781	\$ 37,885	\$ 36,398
Median	\$ 4,829	\$ 6,211	\$ -	\$ 1,318	\$ 2,292
Stores >= average	2	2	1	2	7
Percent >= average	25%	25%	13%	25%	22%
Free Cash Flow					
Min	\$ 101,750	\$ (29,705)	\$ (149,622)	\$ (264,233)	\$ (264,233)
Max	\$ 745,238	\$ 291,423	\$ 148,602	\$ (4,715)	\$ 745,238
Average	\$ 338,913	\$ 95,591	\$ (670)	\$ (86,479)	\$ 86,839
Median	\$ 290,654	\$ 66,228	\$ 19,854	\$ (63,032)	\$ 35,097
Stores >= average	2	3	5	5	14
Percent >= average	25%	38%	63%	63%	44%

Notes to the Financial Performance Representations

The following notes provide (i) definitions applicable to the information provided in this Item 19 that are not otherwise defined in the Tables and Graph presented above, and (ii) additional information relevant to this Item 19. You should review these notes in conjunction with the other parts of this Item 19.

We calculated the figures in Tables 1-A, 1-B, 2-A, and 2-B using information that franchisees provided.

We have found no direct correlation between the annual Gross Sales achieved at a Buddy's Retail Business and the Buddy's Retail Business's size, location, or demographics in the area surrounding the Buddy's Retail Business, although cost of operating may vary depending upon whether you operate a Buddy's Retail Business in a strip-typecenter or free-standing building and market conditions in your Territory.

Note 1: Rental Revenue

DEFINED: "Rental Revenue" is the sum of recurring revenue from renewal payments based on rates and terms set forth in rental agreements between the franchisee and its customer. Franchisees determine the lease rates and terms for products and services leased and sold from their Franchised Businesses, although some states have laws governing merchandise lease rates and fees.

Note 2: Other Revenue

DEFINED: "Other Revenue" is derived by adding the following peripheral recurring revenue and non-recurring revenue that a franchisee may earn. "Peripheral recurring revenue" includes waiver fees, club fees, renewal fees, other fees payable by franchisees under their franchise agreements and tax filing revenue. "Non-recurring revenue" includes early buyout option fees payable by customers and revenue derived from the sale of products normally leased by customers on a rent-to-own basis. Franchisees can determine the retail sales price and other fees for products sold from their Franchised Businesses and the price for early buyoutof lease agreements. Some states have laws governing early buyout amounts.

Note 3: Gross Sales

DEFINED: As used in this Item 19, "Gross Sales" has the same meaning as stated in Item 6. Specifically, "Gross Sales" means all revenue that is received or otherwise derived from operating the Buddy's Retail Business, whether from cash, check, credit or debit card, gift card or gift certificate, or other credit transactions, and regardless of collection or when the products or services are actually provided in exchange for the revenue. If a franchisee receives any proceeds from any business interruption insurance applicable to loss of revenue at the Franchised Business, there will be added to Gross Sales an amount equal to the imputed gross revenue that the insurer used to calculate those proceeds. Gross Sales does not include (a) any bona fide returns and credits that are actually provided to customers, or (b) any sales or other taxes that are collected from customers and paid directly to the appropriate taxing authority. Payment provider fees (*i.e.*, bank or credit card company fees and gift card vendor fees) may not be deducted from the Gross Sales calculation. Gross Sales are calculated as Rental Revenue plus Other Revenue.

Note 4: Total Cost of Goods (Total COG)

DEFINED: Total COG is the sum of Cost of Recurring Revenue, Cost of Non-recurring revenue and Rental Write-down:

- Cost of Recurring Revenue
 - WRITE-OFFS
 - RBV-CHARGEOFFS
 - CLUB CHARGE OFF
 - RBV-SKIPS,STOLENS
 - PRODUCT REPAIRS
 - APPLIANCE REPAIR
 - FURNITURE REPAIR
 - ELECTRONIC REPAIR
 - SERVICE DEPT ALLOCATION
 - JEWELRY REPAIR
 - OTHER DIRECT COSTS
 - COST OF CLUB FEES
- OTHER COSTS
- CELL PHONE SERVICES
- CASH OVER/SHORT
- ALLOWANCES AND REBATES
- SMALL PARTS/FREIGHT
- ACCESSORIES EXPENSE
- DUES
- Cost of Non-recurring Revenue
 - RBV - EBO & POS
 - RBV - SOLD UNITS
 - COST OF EMPLOYEE SALES
 - BAD DEBTS
- Rental Write-down
 - Depreciation

Note 5: Gross Profit

DEFINED: Gross Profit is calculated as Gross Sales less the Total Cost of Goods.

Note 6: Personnel Expense

DEFINED: Personnel is the sum of all Buddy's Retail Business personnel costs, including:

- COMPENSATION
 - SALARY-RENTAL
 - PAYROLL-OVERTIME
 - BONUS EXPENSE
- FRINGE & OTHER
 - PAYROLL TAXES
 - GRP/DIS INSURANCE
- WORKERS COMP INSURANCE
- EMPLOYEE HIRING COST
- RELOCATION COSTS
- PAYROLL PROCESSING FEES
- 401K EXPENSE
- CASUAL LABOR
- PERSONNEL DEVELOPMENT

These expenses will vary depending on whether franchisee hires a manager and his/her compensation program, prevailing wages in the geographic area in which the Buddy's Retail Business is located, and the types and amounts of non-salary benefits, if any, provided to employees.

Note 7: Occupancy Expense

DEFINED: Occupancy Expense is the sum of all leased or owned building expenses, including:

- RENT EXPENSE
- RENT - CAM CHARGES
- RENT - STORAGE
- TENANT PROPERTY TAXES
- SECURITY
- STORE REPAIR COSTS
- REPAIRS/MAINTENANCE
- PROPERTY INSURANCE
- DEPR-LEASEHO
- DEPR-EQUIP/FURN/FIXT
- DEPR-SIGNS

The 2025 Company-owned Businesses vary in size from approximately 3,600 to 13,337 square feet. For the 2025 Company-owned Businesses, the lease rate per square foot varies from \$5.40 to \$19.55, and common area maintenance charge (C.A.M.) varies from \$0.07 to \$6.39 per square foot. The cost per square foot in a strip-type shopping center and freestanding building varies considerably, depending on the location and the market conditions affecting commercial property.

Note 8: Marketing Expense

DEFINED: Marketing Expense is calculated for each 2025 Company-owned Business as the greater of (i) the actual marketing spend by such business (including the payment of the Marketing Fee) or (ii) an imputed figure equal to the Marketing Fee, which is equal to \$175 per week (\$9,100 per year), plus the minimum local marketing expenditure for franchisees (which is 2% of Gross Sales). The marketing expenses may include:

- FLYERS PRODUCTION
- MARKETING FEE
- STORE SALES/PROMOTIONS
- CONTESTS, AWARDS and PROMOS
- IN STORE POSTAGE

As stated in Item 6, under the Franchise Agreement, you are currently required to pay us a Marketing Fee of \$175 per week for deposit into the Marketing Fund. During the term of the Franchise Agreement, we may increase the Marketing Fee periodically; however, the Marketing Fee will not exceed 2% of your annual Gross Sales. Company-owned Businesses contribute to the Marketing Fund on the same basis as franchisees.

In addition to the Marketing Fee, you are currently required to spend at least 2% of your Gross Sales on approved local marketing, advertising and promotion. During the term of the Franchise Agreement, we may increase the required minimum local marketing expenditure, provided that the sum of the Marketing Fee, your required local marketing expenditure, and your Marketing Cooperative contributions in any calendar year will not exceed 4.5% of your annual Gross Sales. Because Company-owned Businesses are not required to spend a minimum amount on marketing, we have imputed an amount equal to 2% of Gross Sales for all Company-owned Businesses with marketing expenditures that did not exceed that minimum, since this is an expense you will be required to incur.

Note 9: Delivery/Vehicle Expense

DEFINED: Delivery /Vehicle Expense is the sum of all expenses incurred in delivering and picking up lease inventory, including:

- VEHICLE-FUEL
- VEHICLE-REPAIRS
- LEASE VEHICLE COSTS
- DEPR-VEHICLES
- CUSTOMER DAMAGE/LOSS
- VEHICLE INSURANCE
- VEHICLE LICENSES & TAXES
- INTEREST-VEHICLE FINANCING

Franchisees may participate in Buddy’s fleet leasing or fleet purchasing programs. Cost varies based on method chosen along with the quantity and size of vehicles ordered. Insurance rates for delivery vehicles will vary depending on the state and type of area (metropolitan or rural) in which the Franchised Business is located, and the amount and types of insurance coverage you maintain. See Item 7 for an estimate of delivery / vehicle expense.

Note 10: G&A Expense

DEFINED: G&A Expense is the sum of all general and administrative costs including:

- COPIER COSTS
- LOSS RECOVERY
- BULK SUPPLIES
- TELEPHONE
- TRAVEL EXPENSES
- TRAVEL MEALS
- COMPUTER EXPENSE
- GENERAL LIABILITY INSURANCE
- CREDIT CARDS & BANKFEES
- START UP EXPENSE
- LICENSE & TAXES
- (GAIN)/LOSS ON FIXED ASSET DISPOSALS

General liability insurance coverage will vary depending on the state(s) in which the Buddy’s Retail Business operates, and the amounts and types of coverage you maintain. See Item 7 for an estimate of insurance costs.

Note 11: IT Fee

DEFINED: IT Fees are charges for hardware, software, networking, and support, based on a given Buddy’s Retail Business’s needs. As stated in Item 6, under the Franchise Agreement, you will pay us a Technology Fee, which is approximately \$1,050 per month for a typical Franchised Business, although the actual amount will depend on the amount and type of equipment leased, software licensed, and services provided under the Technology Agreement and used in the Franchised Business.

Note 12: Royalty Expenses

DEFINED: Although Company-owned Businesses do not pay a royalty fee, the standard royalty fee of 6% was added to the expenses so as to be consistent with the royalty fee percentage paid by franchisees. This will allow the expenses data correlate to the royalty expense charged to franchisees as noted in Item 6 of our disclosure document.

Note 13: Total Expense

DEFINED: Total expense is the sum of the following items:

- Personnel
- Occupancy
- Marketing
- Delivery/Vehicle
- G&A
- IT Fee
- Royalty

Note 14: Earnings Contribution

DEFINED: Earnings Contribution is Gross Profit minus Total Expenses.

Note 15: Depreciation Expense

DEFINED: Depreciation is the total of all depreciation of lease. Franchisees may elect to amortize intangibles and depreciate lease inventory and fixed assets on a basis different than what we use.

Note 16: Other Non-Cash Expense

DEFINED: These are the non-cash expenses assessed prior to deriving earnings contribution that are added back to determine operating cash flow. Other non-cash expenses include:

- Other non-cash COGS
 - RBV-CHARGEOFFS
 - RBV-SKIPS,STOLENS
 - RBV - EBO & POS
 - RBV - SOLD UNITS
- Depreciation, Amortization, Gain/loss on FA disposals
 - DEPR-LEASEHOLD
 - DEPR-
 - EQUIP/FURN/FIXT
 - DEPR-SIGNS
 - DEPR-VEHICLES
 - DEPR- COMPUTERS/SOFTWARE
 - AMORTIZATION EXPENSE
 - (GAIN)/LOSS ON FIXED ASSET DISPOSALS

Note 17: RBV Skips and Stolen

DEFINED: RBV Skips and Stolen is the sum of remaining book value of items on a charged-off agreement. Agreement Charge-offs can occur from many reasons, but typically represent an unrecoverable account.

Franchisees are responsible for managing collections to minimize charge-offs.

Note 18: Operating Cash Flow

DEFINED: Operating Cash Flow is Earnings Contribution plus Depreciation, RBV Skips and Stolen, and Other Non-Cash expenses.

Note 19: Inventory Purchases

DEFINED: Net Inventory Purchases is the sum of all lease inventory purchased. These items are reflected in the month the invoice is paid, not when the merchandise is received.

Under the prior form of franchise agreement, franchisees were permitted (but not required) to participate in the BPP for inventory pricing benefits. As stated in Item 8, under the current form of franchise agreement, franchisees are required to participate in the BPP. Under the BPP, participating franchisees have the opportunity to procure electronically and receive inventory from approved Buddy's vendors and receive reconciliation, product concern, and purchasing support, reducing their back office expense. Participating franchisees are billed once monthly based on invoice pricing and receive 30-60 net terms based on our billing cycle.

Note 20 – Cap Ex

DEFINED: Capital expenditures are low for the 2025 Company-owned Businesses and are based on their level of maturity, leased versus owned methodology for both real estate and vehicle procurement, and ability to negotiate tenant improvement contribution from the landlord when negotiating new leases. Decisions regarding capital expense will be based on the franchisee's method of procuring its fixed assets such as buildings, vehicles, equipment or land to operate the business.

Note 21 – Free Cash Flow

DEFINED: Free Cash Flow is Operating Cash Flow minus Inventory Purchases and Capital Expenditures.

Some Buddy's Retail Businesses have sold or earned these amounts. Your individual results may differ. There is no assurance that you'll sell or earn as much.

Written substantiation for the financial performance representations in this Item 19 will be made available to you upon reasonable request.

Tables 1-A, 1-B, 2-A, and 2-B do not reflect the costs of sales, operating expenses or other costs or expenses that must be deducted from the Gross Sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Retail Business. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.

Other than the preceding financial performance representation, BHF Franchising, LLC 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 Michael Bennett, our Chief Executive Officer, 8529 Southpark Circle, Suite 150, Orlando, Florida 32819; the Federal Trade Commission; and/or the appropriate state regulatory agencies.