

**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.

We are at an early stage of development and have a limited operating history. As such, we strongly recommend that you make your own independent investigation to determine whether to invest and whether the franchise may be appropriate for you before entering into any agreement with us. Investment in an emerging franchise system might be a riskier investment than an investment in a franchise system with a longer operating history. We suggest strongly that you consult with a franchise attorney and your financial advisor or personal accountant concerning this investment and the preparation of any financial projections, which we will not review or comment on, as well as federal, state and local income taxes and any other applicable taxes that you may incur in operating a Bumble Bee Blinds Franchised Business

**HISTORICAL FINANCIAL PERFORMANCE REPRESENTATION**

**Background**

As of December 31, 2023, there were seventeen (17) franchisees in operation. Two (2) of these franchisees were in operation for the entire 2023 calendar year and the remaining fifteen (15) first commenced operation in the 2023 calendar year. These two (2) franchisees are owned and operated by Omaha Blinds and Shutters LLC ("OBS"), which is owned by our founder Stephen Vest (the "Founder Business"). The financial performance information disclosed in this Item 19 is for the Founder Business, which operates in an area that would encompass approximately five (5) Protected Territories. The history of the Founder Business is disclosed below:

On July 05, 2022 HPB Blinds and Shutters LLC purchased certain assets from OBS. OBS has operated a blinds and shutters installation business in Omaha, Nebraska and Lincoln, Nebraska since 2015 under the principal trademark "Omaha Blinds and Shutters." OBS entered into two franchise agreements with us and rebranded the Founder Business to a Bumble Bee Blinds Business in October 2022. The Founder Business serves as our flagship outlet and served as the base from which we created the franchise model offered under this Disclosure Document. The Founder Business offers substantially similar products and services as the business you will operate under the Bumble Bee Blinds trademark.

The Founder Business was in operation under the Bumble Bee Blinds trademark for the entire 2023 calendar year (the "Measurement Period"). During the Measurement Period, the Founder Business operated a business substantially similar to the franchised business offered under this Disclosure Document in an area that would encompass approximately five (5) Protected Territories.

This Item sets forth historical revenue and cost information for the Founder Business generated and incurred in connection with the Founder Business's operations during the Measurement Period. The Founder Business provided us with unaudited financial information for the Measurement period. We based the historical financial performance information presented in this Item 19 on this unaudited financial information and we did not audit or otherwise independently verify this information.

Table 1 sets forth Gross Sales, Direct Cost of Goods and Services Sold and certain Disclosed Expenses of the Founder Business during the Measurement Period, as well as certain Adjusted Expenses of the Founder Business during the Measurement Period.

Table 2 sets forth Average Ticket, Close Ratio, Percent of Total Revenue – Shades, Percent of Total Revenue – Blinds, Install per Blind/Roller Shade, and Install for all other Products of the Founder Business during the Measurement Period.

Table 3 sets forth Historical Performance of Revenue achieved by the Founder Business during the Measurement Period.

We have not audited or independently verified the data submitted by the Founder Business and no assurance can be offered that the data does not contain inaccuracies that an audit might disclose. We will provide you with written substantiation for the financial performance representation upon reasonable request.

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TABLE 1

For the Calendar Year Ended December 31, 2023	Amount	% of Sales
<b>Gross Sales <sup>(1)</sup></b>	<b>1,534,831</b>	<b>100.0%</b>
<b>Direct Cost of Goods and Services Sold <sup>(2)</sup></b>		
Subcontractor Costs <sup>(3)</sup>	146,028	9.5%
Materials <sup>(4)</sup>	798,019	52.0%
<b>Total Direct Cost of Goods and Services Sold <sup>(5)</sup></b>	<b>944,047</b>	<b>61.5%</b>
<b>Gross Profit <sup>(6)</sup></b>	<b>590,784</b>	<b>38.5%</b>
<b>Disclosed Expenses <sup>(7)</sup></b>		
Advertising and Promotion <sup>(8)</sup>	80,996	5.3%
Insurance Expense <sup>(9)</sup>	3,332	0.2%
Payroll Expenses <sup>(10)</sup>	55,647	3.6%
Rent, Utilities and Trash <sup>(11)</sup>	15,123	1.0%
Merchant Fees and Bank Fees <sup>(12)</sup>	14,874	1.0%
Automobile Repair, Maintenance, and Other <sup>(13)</sup>	11,565	0.8%
Miscellaneous Expense <sup>(14)</sup>	3,591	0.2%
Office Supplies <sup>(15)</sup>	5,089	0.3%
Dues, Subscriptions, Taxes and Licenses <sup>(16)</sup>	4,641	0.3%
<b>Total Disclosed Expenses <sup>(17)</sup></b>	<b>194,858</b>	<b>12.7%</b>
<b>Gross Profit Less Disclosed Expenses</b>	<b>395,926</b>	<b>25.8%</b>
<b>Adjusted Expenses: Disclosed Expenses not paid by Founder but charged to a Franchisee <sup>(18)</sup></b>		
Royalty Fee <sup>(19)</sup>	130,461	8.5%
Technology Fee and CRM Fee <sup>(20)</sup>	9,504	0.6%
Call Center Fee <sup>(21)</sup>	12,546	0.8%
Digital Management Fee <sup>(22)</sup>	12,000	0.8%
Annual Conference Fee <sup>(23)</sup>	1,000	0.1%
Bookkeeping Fee <sup>(24)</sup>	7,239	0.5%
<b>Total Adjusted Expenses <sup>(25)</sup></b>	<b>172,750</b>	<b>11.3%</b>
<b>Total Disclosed Expenses and Adjusted Expenses <sup>(26)</sup></b>	<b>367,608</b>	<b>24.0%</b>
<b>Adjusted EBITDA <sup>(27)</sup></b>	<b>223,176</b>	<b>14.5%</b>

**Notes:**

As disclosed in the background section of this Item 19, the Founder Business operated under a different trademark (Omaha Blinds and Shutters) until October 2022, when it converted to a Bumble Bee Blinds franchised business. This is a mature business, with over nine (9) years in operation. This Founder Business

operates in Omaha, Nebraska and Lincoln, Nebraska, in a geographic area that would encompass approximately five (5) Protected Territories.

The “Disclosed Expenses” only include the specific line items identified in the above table and do not include all expenses incurred by the Founder Business during the Measurement Period. In addition to the items noted above, the above figures exclude, among other costs and expenses, payroll taxes, tax liabilities, owner compensation/salary, healthcare, employee benefits, uniforms, certain equipment costs associated with running the Founder Businesses’ crews, postage, travel and entertainment expenses, late fees, training fees, and other fees and expenses which you may incur as a franchisee.

This is not a representation of the costs and expenses you will incur in operating a Franchised Business, rather it is an historical representation of what the Founder Business experienced during the Measurement Period only. You are encouraged to work with a financial advisor or accountant in preparing estimates for the operation of a Franchised Business in the area you are considering before you sign any franchise agreement with us.

1. “Gross Sales” is defined as the total revenue less sales tax, discounts, allowances and returns during the Measurement Period, as reported to us by the Founder Business.
2. “Direct Costs of Goods and Services Sold” is defined as the direct non-managerial and non-administrative cost of goods sold, materials and labor incurred in directly performing and/or installing Approved Services and Products resulting in Gross Sales during the Measurement Period, as reported to us by the Founder Business. Direct Cost of Goods and Services Sold do not include managerial expenses, field management, administrative expenses, Disclosed Expenses, operating expenses, or general expenses including, but not limited to, credit card processing or bank fees.
3. “Subcontractor Costs” is defined as the reported cost of subcontractors used in the operation of the business during the Measurement Period, as reported to us by the Founder Business.
4. “Materials” is defined as the reported cost of materials used in the operation of the business during the Measurement Period, as reported to us by the Founder Business.
5. “Total Direct Cost of Goods and Services Sold” is defined as the sum of Subcontractor Costs and Materials during the Measurement Period.
6. “Gross Profit” is defined as Gross Sales less Total Direct Costs of Goods and Services Sold during the Measurement Period.
7. “Disclosed Expenses” is defined as a limited selection of historical expenses incurred as disclosed in this table to this Item 19 during the Measurement Period. Franchisees may incur additional expenses depending on how they operate their franchise from a staff perspective.
8. “Advertising and Promotion” is defined as the costs associated with marketing, advertising, and promotion during the Measurement Period, as reported to us by the Founder Business.
9. “Insurance Expense” is defined as the costs of insurance required for the operation of the business, including, but not limited to, general liability insurance, umbrella insurance, workers compensation insurance, professional liability, contractors, and any other insurance required in the operation of the business during the Measurement Period, as reported to us by the Founder Business.
10. “Payroll Expense” is defined as the reported expenses for payroll and wages for labor used in the



operation of the business during the Measurement Period, as reported to us by the Founder Business.

11. "Rent, Utilities, and Trash" is defined as the costs associated with renting a facility to serve as an office and warehouse to store the inventory, equipment, and supplies, including utility costs such as power, water, gas, trash and any other utilities that service the rented facility for the operation of the business during the Measurement Period, as reported to us by the Founder Business.
12. "Merchant Fees and Bank Fees" is defined as the fees associated with the merchant and bank service providers incurred by the business during the Measurement Period, as reported to us by the Founder Business.
13. "Automobile Repair, Maintenance, and Other" is defined as the costs associated with the repair and general maintenance of vehicles required in the operation of the business, as well as other maintenance items incurred in the operation of the business during the Measurement Period, as reported to us by the Founder Business.
14. "Miscellaneous Expense" is defined as the costs associated with miscellaneous expenses in the operation of the business during the Measurement Period, as reported to us by the Founder Business.
15. "Office Supplies" is defined as the items used by the business to run and operate the business, such as pens, paper, notebooks, envelopes, folders, tape, glue, markers, and any other related administrative expenses pertaining to office supplies incurred in the operation of the business during the Measurement Period, as reported to us by the Founder Business.
16. "Dues, Subscriptions, Taxes, and Licenses" is defined as the costs of dues, subscriptions (and related software) for or related to local networking groups or other professional, business, and industry organization, as well as the costs of taxes, permits, licenses, certificates, and registrations required for the operation of the business during the Measurement Period, as reported to us by the Founder Business. These costs may vary by geographic location or market circumstances.
17. "Total Disclosed Expenses" is defined as the sum of: (i) Advertising and Promotion; (ii) Insurance Expense; (iii) Payroll Expense; (iv) Rent, Utilities and Trash; (v) Merchant Fees and Bank Fees; (vi) Automobile Repair, Maintenance, and Other; (vii) Miscellaneous Expense; (viii) Office Supplies; and (ix) Dues, Subscriptions, Taxes, and Licenses during the Measurement Period.
18. "Adjusted Expenses" is defined as certain expenses not paid by our Founder during the Measurement Period, but are incurred by the Franchisee, including but not limited to the Royalty Fee, Technology Fee, Call Center Fee, Digital Management Fee, Annual Conference Fee, and Bookkeeping Fee as described below.
19. "Royalty Fee" is defined as royalty fees paid to Franchisor. This imputed fee was calculated based upon a royalty fee of 8.5% of Gross Revenues Collected in the operation of the business during the Measurement Period.
20. "Technology Fee and CRM Fee" is defined as fees paid to Franchisor to cover costs associated with system network functions, updating microsites, data reporting, customer relationship management, call center interfacing software, and various software programs that the Franchisee must utilize in the operation of the franchised business.
21. "Call Center Fee" is defined as the fee charged by our Designated Vendor for all Call Center Services. This fee does not include scheduled lead fees.

22. "Digital Management Fee" is defined as the fee charged by our affiliate HPB Franchise Marketing d/b/a Franchise Rocket to cover the costs of digital marketing and website management.
23. "Annual Conference Fee" is defined as the costs to attend the required annual conference held by Franchisor.
24. "Bookkeeping Fee" is defined as the fee charged for bookkeeping services by our designated vendor.
25. "Total Adjusted Expenses" is defined as the sum of: (i) Royalty Fee; (ii) Technology Fee; (iii) Call Center Fee; (iv) Digital Management Fee; and (v) Annual Conference Fee.
26. "Total Disclosed Expenses and Adjusted Expenses" is defined as the sum of: (i) Total Disclosed Expenses; and (ii) Adjusted Expenses.
27. "Adjusted EBITDA" is defined as Gross Profit less Total Disclosed Expenses and Adjusted Expenses.

**TABLE 2**

2023 KPIS	
Average Ticket	\$4,500
Close Ratio	70%

**Notes:**

1. "Average Ticket" is defined as the average dollars spent per transaction performed during the Measurement Period, as reported to us by the Founder Business.
2. "Close Ratio" is defined as the percentage of total estimates written that turned into invoices, as reported to us by the Founder Business.

**TABLE 3**

Historical Performance		
Year	2021	2022
Gross Sales	\$1,163,505	1,564,279

**Notes:**

1. "Gross Sales" is defined as total revenue less sales tax, discounts, allowances and returns during the stated calendar year, as reported to us by the Founder Business.
2. As disclosed in the background section of this Item 19, the Founder Business operated under a different trademark (Omaha Blinds and Shutters) until October 2022, when it converted to a Bumble Bee Blinds franchised business. This is a mature business, with over nine (9) years in operation. This Founder Business operates in Omaha, Nebraska and Lincoln, Nebraska, in a geographic area that would encompass approximately five (5) Protected Territories.

**Assumptions:**

1. The Item 19 historical financial performance representation included in this Item includes certain reported performance information reported by the Founder Business during the Measurement Period only. It is not a representation of what you can expect to achieve in connection with the operation of a Bumble Bee Blinds Business. This analysis is not a representation of the operating costs and expenses that you will incur in operating your Bumble Bee Blinds Business. Operating costs and expenses may vary substantially from business to business.
2. Interest expense, interest income, depreciation, amortization and other income or expenses will vary substantially from business to business, depending on the amount and kind of financing you obtain to establish your Bumble Bee Blinds Business. You should consult with your tax advisor regarding depreciation and amortization schedules and the period over which assets of your Bumble Bee Blinds Business may be amortized or depreciated, as well as the effect, if any, of any recent or proposed tax legislation.

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

We recommend that you make your own independent investigation to determine whether the franchise may be profitable to you. We suggest strongly that you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that you may incur in operating a Bumble Bee Blinds Business.

Other than the preceding financial performance representation, HPB Blinds and Shutters 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 Zachery Beutler at 2525 N. 117<sup>th</sup> Avenue, Omaha, Nebraska 68164 and 1 (800) 644-4894, the Federal Trade Commission, and the appropriate state regulatory agencies.