

FRANCHISE DISCLOSURE DOCUMENT



HTHM Franchising, LLC
(a Delaware limited liability
company)
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HTHM Franchising, LLC offers franchises for delivery of frozen, prepared meals for in-home consumption operating under the name Heart to Home Meals. The total investment necessary to begin operation of a Heart to Home Meals delivery service franchise (a “Program Meals Business”) ranges from ~~\$129,100 to \$319,300~~ \$129,350 to \$339,950. This includes ~~\$51,000~~ \$51,250 that must be paid to us or our affiliate.

This Disclosure Document summarizes certain provisions of your Franchise Agreement and other information in plain English. Read this Disclosure Document and all accompanying agreements carefully. You must receive this Disclosure Document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, us or an affiliate in connection with the proposed franchise sale. Note, however, that no governmental agency has verified the information contained in this document.

You may wish to receive your Disclosure Document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Christopher Webb at 289 Elm Street, Suite 102, Marlborough, Massachusetts 01752, via email at chris.webb@hearttohomemeals.com or by phone at 617 990-6783.

The terms of your contract will govern your franchise relationship. Don’t rely on the Disclosure Document alone to understand your contract. Read all of your contract carefully. Show your contract and this Disclosure Document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this Disclosure Document can help you make up your mind. More information on franchising, such as “[A Consumer’s Guide to Buying a Franchise](#),” which can help you understand how to use this Disclosure Document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC’s home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

The Issuance Date of this Disclosure Document is ~~February 20, 2024, as amended August 9, 2024~~ April 28, 2025.

How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about Program Meals Business sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit F.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised Program Meals Businesses.
Will my business be the only Heart to Home Meals business in my area?	Item 12 and the "Territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been involved in material litigation or bankruptcy proceedings.
What's it like to be a Heart to Home Meals franchisee?	Item 20 or Exhibit F lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	Those questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

What You Need to Know About Franchising Generally

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

- (E) A provision that permits the franchisor to refuse to renew a franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This section does not require a renewal provision.
- (F) A provision requiring that arbitration or litigation be conducted outside this state. This shall not preclude the franchisee from entering into an agreement, at the time of arbitration, to conduct arbitration at a location outside this state.
- (G) A provision which permits a franchisor to refuse to permit a transfer of ownership of a franchise, except for good cause. This subdivision does not prevent a franchisor from exercising a right of first refusal to purchase the franchise. Good cause shall include, but is not limited to:
 - (i) The failure of the proposed transferee to meet the franchisor’s then current reasonable qualifications or standards.
 - (ii) The fact that the proposed transferee is a competitor of the franchisor or subfranchisor.
 - (iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.
 - (iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the franchise agreement existing at the time of the proposed transfer.
- (H) A provision that requires the franchisee to resell to the franchisor items that are not uniquely identified with the franchisor. This subdivision does not prohibit a provision that grants a franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does this subdivision prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if the franchisee has breached the lawful provisions of the franchise agreement and has failed to cure the breach in the manner provided in Subdivision (C).
- (I) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to the franchisee unless provision has been made for providing the required contractual service.

THE FACT THAT THERE IS A NOTICE OF THIS OFFERING ON FILE WITH THE ATTORNEY GENERAL DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE ATTORNEY GENERAL.

ANY QUESTIONS REGARDING THIS NOTICE SHOULD BE DIRECTED TO THE OFFICE OF THE ATTORNEY GENERAL, CONSUMER PROTECTION DIVISION, ATTN: FRANCHISE DEPARTMENT, 670 LAW BLDG., LANSING, MICHIGAN 48913, (517) 373-7117.

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Exhibits

- A. Franchise Agreement including forms of Automated Clearing House Payment Authorization; Guaranty and Restriction Agreement; Management Confidentiality and Non-Competition Agreement; Lease Rider; Guaranty; Franchise Agreement Addenda Required by Certain States; and Receipt of Operations Manual and Confidentiality Agreement
- B. State Addenda
- C. Financial Statements
- D. State Administrators and Agents for Service of Process
- E. Table of Contents of Operations Manual
- F. Names and Addresses of Franchisees
- G. Closing Acknowledgement
- H. Form of General Release
- I. Pre-Sale Confidentiality Agreement

ITEM 1

THE FRANCHISOR AND ANY PARENTS, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, we will use the words “we,” “us” and “our” when referring to HTHM Franchising, LLC and the words “you” and “your” when referring to the individual or business entity which buys a Franchised Business franchise. The words “you” and “your” do not include any individual or business entity which owns an interest in you. We will require all individuals and business entities that own an interest in you to guarantee your obligations to us. We refer to each distinct business operated under our Franchise Agreement as a “Program Meals Business” or “Franchised Business” and each distinct Franchised Business operated by an Affiliate of the Franchisor as a “Company Program Meals Business”. We refer to the frozen, prepared meals branded as Heart to Home Meals delivered by a Program Meals Business as “Products.”

Franchisor, and any Parents, Predecessors, and Affiliates

We are a Delaware limited liability company formed on August 23, 2018. Our principal business address is 289 Elm Street, Suite 102, Marlborough, Massachusetts 01752. Our direct parent corporation is US Food Holdings, LLC, a Delaware limited liability company (“Parent”). The principal business address for Parent is 289 Elm Street, Suite 102, Marlborough, Massachusetts 01752. We have no predecessors.

We are wholly owned indirect subsidiary of Ultimate Food Holdings, Inc., a Delaware corporation (“UFH”) incorporated on August 23, 2018. UFH is the sole member of Food International Holdings LLC (“FIH”) and Parent, both Delaware limited liability companies formed on August 23, 2018. Parent is the sole member of Franchisor and HTHM Operations LLC, a Delaware limited liability company (“HTHMO”) formed on August 23, 2018. The principal business address of these entities is 289 Elm Street, Suite 102, Marlborough, Massachusetts 01752.

UFH is a wholly owned subsidiary of apetito group of companies which is based in Germany (“apetito AG”) which manufactures and sells frozen prepared meals to long-term care facilities, retirement homes, “Meals on Wheels” home delivery services, schools and nurseries. apetito AG, has subsidiary companies in Germany, United Kingdom, Republic of Ireland, the Netherlands, Austria, France, Spain, Denmark, the United States and Canada. apetito AG was founded on April 1, 1958, in Rheine, Westphalia, Germany, when it began selling frozen prepared meals. Its principal address is Bonifatiusstraße 305, D-48432 Rheine, Germany.

Heart to Home Meals, Inc., an Ontario corporation (“HTHM Canada”) formed on June 25, 2008. Its principal business address is 1010 Dairy Drive, Ottawa, ON K4A 3N3. It has been engaged in franchising the Program Meals Business in Canada since 2008 and has offered franchises for Heart to Home Meals businesses (formerly called Copper County Foods) since June 2009. HTHM Canada had 20 franchises operating on December 31, 2022.

apetito HFS Limited, an Ontario corporation (“apetito HFS”), has its principal business address at 1010 Dairy Drive, Ottawa, ON K4A 3N3, provides frozen, prepared meals to Meals on Wheels programs as well as to hospitals and long-term care facilities serving customers throughout Canada. It is also the designated supplier of Products to Heart to Home Meals franchisees in Canada. apetito HFS is the designated supplier of Products to Heart to Home Meals franchisees in Canada and the Ottawa address is the principal business address of the Franchisor. [apetito HFS had 20 outlets in Canada on December 31, 2024 with 18 Franchised outlets and 2 outlets corporately owned.](#)

HTHM Supply LLC, a Delaware limited liability company, (“HTHM Supply”) has its principal business address at is 289 Elm Street, Suite 102, Marlborough, Massachusetts 01752. It is the designated supplier of Products to Heart to Home Meals franchisees in the United States. It has supplied Products since 2018.

Wiltshire Farm Foods, a direct-to-consumer brand operated by a subsidiary of apetito AG in the United Kingdom, offers operates company-owned and franchised businesses in the UK similar to the Franchised Business. It began selling franchises in November 1995. Its registered business address is Canal Road, Trowbridge, Wiltshire BA14 8RJ. Wiltshire Farm Foods had ~~more than 70~~⁵⁹ outlets in the United Kingdom and 2 outlets in Ireland on December 31, ~~2022~~²⁰²⁴. Franchised outlets comprise ~~25~~^{approximately 29}% of this network and the remaining ~~75~~⁷¹% of the United Kingdom outlets are corporately owned.

We presently do business under the name HTHM Franchising, LLC. You will operate your franchised Program Meals Business under the name Heart to Home Meals (the “Brand”). The name and address of our agent for service of process in Massachusetts appears on [Exhibit D](#) to this Disclosure Document. We began offering franchises for this Franchised Business in February 2024.

We do not operate a business of the type being franchised. We engage in no other business activities. Except as described above, no parent, predecessors or affiliates have offered franchises in this or any other line of business.

The Business and Franchises Offered

localities may require compliance with local codes and licensing as a seller of prepared food products and may require inspections of your facilities for sanitation and proper storage temperatures in your freezers and delivery vehicles.

You will have to comply with all federal, state and local laws and regulations which apply generally to all businesses, and food sales and delivery that apply to Program Meals Business generally. Additionally, you will be required to comply with all federal, state and local laws and regulations that generally apply to private businesses. These include, but are not limited to, the Americans with Disabilities Act (the “ADA”); the Fair Labor Standards Act (the “FLSA”); the rules and regulations of the Equal Employment Opportunity Commission (the “EEOC”); the Occupation Safety and Health Administration (“OSHA”); Gramm-Leach-Bliley Act; the USA PATRIOT Act; Federal Truth in Lending and other laws dealing with credit transactions and collections; Digital Millennium Copyright Act; regulations governing MMS, SMS, emails and telemarketing; the payment of license fees; general location rules and regulations; and, any advertising or content related rules and regulations.

Your Franchised Business must accept credit cards and will be obligated to comply with the Payment Card Industry Data Security Standard. The Standard includes 12 requirements for any business that stores, processes or transmits payment cardholder data. For more information see <https://www.pcicomplianceguide.org/>.

We encourage you to make additional inquiries into those laws and regulations and obtain the assistance of your own legal counsel in that regard. It is your responsibility to independently determine if there are any legal requirements with which you must comply and business issues that might impact your Franchised Business and/or your possibility of generating a profit or loss. Neither we, nor our Affiliates, will be responsible for ascertaining your initial and continuing legal responsibilities. It is your responsibility, on an on-going basis, to investigate and satisfy all local, state, and federal laws and regulations since these can vary from place to place and can change over time.

Prior Business Experience

We have no prior business experience and have not operated in any other lines of business.

ITEM 2

BUSINESS EXPERIENCE

Parent is our sole member. The members of Parent’s Board of Directors who are most involved in decisions affecting us ~~are Paul Freeston and~~is Christopher Webb.

President: Christopher Webb

Mr. Webb has been our President since August 2021. He was Director of Business Operations for Parent from February 2019 until his election as our President. Mr. Webb joined apetito UK in September 2014 and had overseen Franchise Recruitment, Franchise Support and Operations for Wiltshire Farm Foods from that date until January 2019. He is based in our Marlborough, Massachusetts office.

~~Chief Executive Officer and Director: Paul Freeston~~

~~Mr. Freeston has held these offices since August 2018. He has been the Chairman and Chief Executive Officer of apetito UK since October 2001. He has been the Chairman and Chief Executive~~

~~Officer of HTHM Canada since June 2008. He has served on the Board of Directors of apetito AG since 2007.~~

~~Sr. Director of Franchise Development: Matthew Collins~~

~~Mr. Collins became the Senior Director of Franchise Development in August 2024. Prior to joining us, he was the Vice President of Franchise Development for Zoom Room Dog Training from September 2023 until May 2024 and the Director of Franchise Development for Tropical Smoothie Café from May 2019 until August 2023. Richard Peroe~~

Mr. Peroe joined us in February 2025 and is based in Virginia Beach, Virginia. He previously held positions in Operations and Franchise Development with Jackson Hewitt Tax Service in Virginia Beach, Virginia and Jersey City, New Jersey from December 1989 until May 2024.

ITEM 3

LITIGATION

No litigation is required to be disclosed in this Item.

ITEM 4

BANKRUPTCY

No bankruptcy is required to be disclosed in this Item.

ITEM 5

INITIAL FEES

When you sign a Franchise Agreement for a Franchised Business, you must pay a non-refundable initial franchise fee of \$40,000. The initial franchise fee is not refundable. You must also pay a \$250 application fee to us for background and credit checks. The application fee is payable at the later date of when you submit a franchise application to us or 15 days after you sign the Item 23 Receipt of this Disclosure Document. You must also purchase \$11,000 of opening inventory of Program Meals from us or HTHM Supply before opening the Franchised Business. If your Franchised Business does not commence operation or closes before you sell all of the initial inventory, we or our affiliate will repurchase the inventory in saleable condition less the Restocking Fees & Charges described in Item 6. You must destroy and discard any unsold inventory that we do not repurchase.

ITEM 6

OTHER FEES

<u>Type of fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
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Wholesale Prices of Products	Prices currently range from \$34.06 for an order of 16 smaller Program Meals in a single case to \$87.77 for a case of 12 regular size meals. The median wholesale price is \$71.52 per case. These prices are subject to change periodically when ingredient, labor, packaging and transportation costs change	Net 10 days after Invoice	You must pay us or our affiliate for the wholesale prices of Products you purchase. There is no royalty on Gross Sales of the Products to customers. You determine your order quantity depending on your projected needs and storage capacity. Cases can be ordered with 1016 meals. A 12 meal case is the most frequently ordered size.
Delivery Fee	Currently \$500.00 per month; subject to change once annually; begins with the month after the first anniversary of your opening of the Franchised Business	When invoiced	Covers costs of delivery of Products to your Franchised Location; we may change the Delivery Fee amount and frequency once a year to cover changes in transportation and freezer storage costs
Local Marketing (Note 2)	3.00% of Gross Sales (Note 1)	Annually	You must advertise and market your Franchised Business in your market area and document your spending to us. (Note 2)
Marketing Fee (Note <u>32</u>)	Between 2.00% - 5.00% of Gross Sales (Not currently assessed)	Weekly	Payable upon at least 30 days' prior written notice from us that we have established a Marketing Fund. Thereafter, payment must be made via electronic funds transfer weekly. (Note <u>32</u> .)
Technology Fee	Currently \$138 monthly for a software license; we may change after notice to you.	Weekly with Marketing Fee	We provide certain technology support services to franchisees to assist in using our designated technology systems for operating the Franchised

Type of fee	Amount	Due Date	Remarks
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	license; we may change after notice to you.		services to franchisees to assist in using our designated technology systems for operating the Franchised Business. We do not currently charge a fee for this service. We may elect to impose an additional fee to cover these support costs and related overhead in the future on at least 30 days prior written notice to all franchisees, and modify the fee once annually after its imposition
Manager Training Tuition	Currently \$2,000, plus expenses incurred by the trainee to attend the training program	Within 15 days of Invoice Date	Payable for any replacement manager you send to attend our initial training program; you pay the trainee's compensation, benefits, travel, lodging and meal expenses
Additional Training Fee (Note 43)	\$150 per hour plus trainer's expenses for additional initial training requested by you	As Incurred	We may provide additional employee training at your Franchised Business Location. We may change this rate at any time.
Renewal Fee (Note 76)	50.00% of the then current Initial Franchise Fee at the time of renewal	When you send your renewal notice at the end of the initial term	Paid if you renew when you give notice of renewal to us
Transfer Fees (Note 54)	50.00% of the then-current Initial Franchise Fee	Upon transfer	Payable if you transfer the Franchise Agreement or Franchised Business or on ownership change involving control of 50% or more of your equity interests
Audit Results and Accounting Fees (Note 65)	Cost of audit and accounting fees	Within 15 days of receipt of audit report	Payable if you understate

			Gross Sales by 2% or more
Interest on Late Payments	Lesser of Prime Bank Rate plus 4.00% per month or highest rate allowed by law	Within 15 days of invoice date	Accrues from due date; Prime Bank Rate is published in The Wall Street Journal or another publication we deem reliable adjusted

Type of fee	Amount	Due Date	Remarks
Payments	Rate plus 4.00% per month or highest rate allowed by law	invoice date	Prime Bank Rate is published in The Wall Street Journal or another publication we deem reliable adjusted weekly
Security Interest Enforcement Costs	Cost of enforcing security interest	Within 15 days of invoice date	You grant us or our affiliate a security interest in your inventory, equipment and proceeds from the sale of inventory to secure payment of amounts owed for the wholesale price of Products you purchase. If we foreclose on the collateral, you pay or reimburse us for the costs we incur including attorneys' fees and court costs to enforce our security interest, regain possession and store the collateral
Public Offering Fee	\$15,000	Upon request for approval of offering documents	Payable if you request our review of a placement memorandum or registration statement for any public or private offering your equity or debt securities

Indemnification Costs (Note 87)	Actual damages or settlement amounts, costs and expenses that we incur for an indemnified claim	Within 15 days of <u>of</u> invoice	Payable to us for damages, costs and expenses incurred by us from third party claims arising from your operation of the business; includes our cost of defense and resolution
Convention Fee	Estimated to be \$700 per attendee, plus travel, lodging and meal expenses for each attendee	Within 15 days after invoice date	Payable in advance of our annual convention if we hold one. We may change this fee at any time in the Operations Manual. Fee charged for all mandated attendees
<u>Type of fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
Bank Fees	Actual Bank Fees charged for insufficient funds or denied access for EFT/ACH transfer plus an administrative fee of \$25 per event	As incurred	Payable if a bank charges us fees for a returned check or denied electronic funds transfer payment to us
<u>Type of fee</u>	<u>Amount</u>	<u>Due Date</u>	<u>Remarks</u>
	<u>fee of \$25 per event</u>		
Late Fee for Tardy Financial Reporting	If the financial reports are not submitted by the due date, a \$150 fee for each 30 day period that reports remain not submitted.	When invoiced	Each Franchisee is to provide accurate financials in a timely manner after the close of each accounting cycle.
Restocking Fees & Charges	Greater of 20% of repurchase price or our costs to recover, transport and restock Products at termination or expiration of the Franchise Agreement	Within 15 days after invoice date; may be deducted from repurchase price	When the franchise agreement terminates or expires, we may purchase Products in your possession that are resaleable for the current wholesale price less the Restocking Fees and Charges

All fees are imposed by and are paid to us. All fees are non-refundable. Except as noted below in Note 1, all fees are uniformly imposed and collected. There are currently no franchisee cooperatives in existence, so there are no fees imposed by cooperatives and no voting power requirements for companyowned outlets.

Notes

Note 1. Gross Sales. Gross Sales means the aggregate of all revenue from operating your Franchised Business, whether payment is received in cash or by credit card, gift cards or other generally accepted form of payment, from the sale of Products, appliances, services, merchandise or other goods and services. Without limiting the scope of the term, Gross Sales shall include without limitation: (a) revenue received from employees for Products or services furnished to employees at a discount; (b) the value of Products and services bought by customers by redeeming any Heart to Home Meals authorized gift cards; and (c) the proceeds from any business interruption insurance. Gross Sales are reduced by the amount of any discount given to customers, employees, family members or other businesses owned or controlled by you if taken at the point-of-sale system at the time of sale so that the purchaser pays an amount net of the discount. Gross Sales also excludes the following: (i) sales taxes and other taxes separately stated, if any, collected from customers and paid to taxing authorities; (ii) gratuities received from your Franchised Business customers and paid over to your Franchised Business employees; (iii) refunds and credits made in good faith to arms' length customers; (iv) the amount of any checks dishonored or returned; (v) proceeds from the sale of any Heart to Home Meals authorized gift cards to customers; (vi) proceeds from insurance with respect to your insured losses from property damage or liability; (vii) proceeds from any civil forfeiture, condemnation, or seizure by a government entity; and (viii) credits, allowances, adjustments or uncollectible amounts, subject to the limitation that uncollectible amounts cannot exceed 0.5% of Gross Sales for any fiscal year of you. Subsequent collections of charged off amounts must be included in Gross Sales when they are collected.

Note 2. ~~Local~~Marketing. Each Franchisee is required to spend at least three percent (3%) of Gross Sales in each year during the Term on advertising and promotion which includes advertisements in local newspapers serving the Territory and conducting on-site presentations and demonstrations to target customer groups, hospitals and other health care facilities and senior care homes.

~~Note 3. Marketing Fee.~~ Upon at least thirty (30) days' prior written notice from Franchisor that it has established a Fund for national, regional, local or other advertising programs for the System (a "Marketing Fund"), each Franchisee will be required to contribute to the Fund an amount determined by Franchisor of not less than two percent (2.00%) nor more than five percent (5.00%) of the Gross Sales, payable weekly in arrears based on the prior week's Gross Sales. We do not currently assess the Marketing Fund contribution.

Note 43. Additional Training Fee. The Additional Training Fee covers training and operational support provided at your request beyond the training and opening assistance that we provide as part of your initial franchise fee as described in Item 11. We currently charge \$150 per hour plus the trainer's travel and living expenses for additional training. We may charge tuition, currently set at \$2,000 per trainee, if additional training is provided, or for additional people you send to attend initial training. See Item 11. We also reserve the right to change this fee at any time or to charge a reasonable amount for any optional additional training we make available after you open the Franchised Business.

Note 54. Transfer Fee. You must pay a non-refundable fee of 50.00% of the then-current initial franchise fee if you transfer the Franchise Agreement or Franchised Business or in the event of an ownership change involving control of 50% or more of your equity interests. We will not charge a fee for any transfer of your equity interests among any of your existing owners, any member of your immediate family or an initial transfer from an individual to an entity. Transfers include sales, gifts, donations, and exchanges for value or without value. See Item 17.

Note 65. Audit Fee. We may audit your accounts, books and records at our expense. However, if we find an understatement of 2% or more of your Gross Sales for any month, you must reimburse us for our out-of-pocket expenses and allocable administrative costs and overhead incurred to perform and report on the audit.

Note [76](#). Renewal Fee. The Franchise Agreement has an initial term of 7 years and provides for up to one additional 7-year renewal terms, all subject to certain conditions. To renew your Franchise Agreement, you must pay us a non-refundable renewal fee equal to 50.00% of the then current initial franchise fee at the time of renewal. See Item 17.

Note [87](#). Indemnification. You must defend, indemnify and hold us and our affiliates harmless from and against any claims asserted against us or our affiliates resulting from the operation of your Franchised Business.

ITEM 7

ESTIMATED INITIAL INVESTMENT

<u>YOUR ESTIMATED INITIAL INVESTMENT</u>					
<u>Type of expenditure</u>	<u>Low Range Amount</u>	<u>High Range Amount</u>	<u>Method of payment</u>	<u>When due</u>	<u>To whom payment is to be made</u>
<u>Initial Franchise Fee (Note 1)</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>Lump Sum</u>	<u>Upon Signing</u>	<u>Us</u>

<u>YOUR ESTIMATED INITIAL INVESTMENT</u>					
<u>Type of expenditure</u>	<u>Low Range Amount</u>	<u>High Range Amount</u>	<u>Method of payment</u>	<u>When due</u>	<u>To whom payment is to be made</u>
<u>Initial Franchise Fee (Note 1)</u>	<u>\$40,000</u>	<u>\$40,000</u>	<u>Lump Sum</u>	<u>Upon Signing</u>	<u>Us</u>

YOUR ESTIMATED INITIAL INVESTMENT					
Type of expenditure	Low Range Amount	High Range Amount	Method of payment	When due	To whom payment is to be made
<u>Application Fee</u>	<u>\$250</u>	<u>\$250</u>	<u>Lump Sum</u>	<u>The later of when you submit your franchise application or 15 days after you sign the Item 23 Receipt</u>	<u>Us</u>
Permits and Licenses	\$500	\$1,000	Lump Sum	When Required	Government Agencies
Leasehold Improvements, Furniture, Fixtures, Equipment (Note 2)	\$2,000	\$10,000 <u>25,000</u> <u>0</u>	As Agreed	As Incurred	Contractors

Freezer (Note 3)	\$30,000	\$130,000	As Agreed	As Incurred	Contractors
Freezer Equipped Delivery Vehicle with vehicle wrap sign (Note 4)	\$8,000	\$55,000	As Agreed	As Incurred	Supplier
Supplies (Note 5)	\$2,000	\$2,000	As Agreed	As Incurred	Suppliers
Computer Hardware for HTHM Proprietary Ordering and Inventory Management Software (Note 6)	\$1,500	\$2,000	As Agreed	As Incurred	Suppliers
Miscellaneous Opening Costs and Rent (Note 7)	\$4,000 2,000	\$10,000 5,000	As Agreed	As Incurred	Suppliers, Landlord
Opening Inventory (Note 8)	\$11,000	\$11,000	Lump Sum	Prior to Opening	Us or our Supplier Affiliate
Initial Training Travel and Living Expenses (Note 9)	\$2,000	\$2,000	Salary/Per Diem	As Agreed	Vendors
Trainee compensation cost during training (Note 9)	\$1,200	\$3,000	Weekly Payment	Payroll Due Date	Trainees
Deposits	\$1,000	\$1,500	Lump Sum	As Incurred	Suppliers
Professional fees for creating and organizing franchisee entity (Note 7)	\$2,000	\$5,000	As Agreed	As Incurred	Counsel, Accountants
Insurance	\$900	\$1,800	As Agreed	As Incurred	Suppliers
YOUR ESTIMATED INITIAL INVESTMENT					
Type of expenditure	Low Range Amount	High Range Amount	Method of payment	When due	To whom payment is to be made
Additional Funds (3 months) (Note 10)	\$25,000	\$50,000 55,400	As Agreed	As Incurred	Suppliers; Employees
TOTAL	\$129,100 129,350	\$319,300 339,950			

All payments to us and our affiliates are non-refundable. Any payments to third parties are subject to the refund policies of those third parties. We do not offer financing directly or indirectly for any part of the initial investment.

Notes

(1) Initial Franchise Fee. See Item 5 for a description of the initial franchise fee. We do not provide financing for the initial franchise fee. The Initial Franchise Fee includes the initial training program tuition and installation at the Franchisee's premises of the Franchisor's designated ordering and inventory management software, an initial supply of Heart to Home Meals uniforms and the conduct by the Franchisor of an initial marketing program for the launch of the Franchised Business.

(2) Leasehold Improvements & Equipment. You may operate the Franchised Business at either a leased light industrial depot facility with a loading dock or receiving area for palletized shipments and an installed commercial grade walk-in freezer having at least 2520 cubic feet of shelved freezer space and parking for a freezer equipped delivery vehicle or from a home office with space for installing the commercial walk-in freezer and convenient parking for the delivery vehicle. You will need to provide storage shelving and electrical power to operate the freezer, plus water, sewer and HVAC for the space, and telecommunications for telephone and Internet access. This amount includes fixtures, furnishings and exterior signage for your Franchised Business. Due to the lack of standard tailgate lifts among shipping companies, it may be necessary for you to purchase a pallet stacker or forklift. If your selected depot location does not have a loading dock, you may be required to lease or purchase an electric straddle stacker or forklift capable of lifting up to 1,000 pounds. Pallets of frozen meals being delivered to your depot will generally not exceed this weight limit. These machines cost up to \$15,000 to purchase and may be leased for lease rent of between \$500 and \$1,800 per month, depending on the lifting capacity and mobility of the machine. We added the cost of the purchase and three months' lease rent to the High Range Amount, although you would incur one cost or the other depending on your choice of buying or leasing the forklift.

(3) Commercial Freezer. If your premises doesn't have an indoor commercial walk-in freezer, you will need to acquire and install the freezer. We recommend a freezer of at least 2520 cubic feet of shelved freezer space with 40 linear feet of shelving, and ramps for wheeled access, UL Listed and compliant with UL standard 471, self-contained refrigeration and other features meeting our standards. You may rent or lease the freezer from an unaffiliated lessor, which may reduce your costs to approximately \$1,250 per month rent for the first six months (totaling \$9250 plus applicable taxes), plus delivery charges which we estimate to be \$1,750, plus applicable taxes. The freezer is critical to operation of the Franchised Business, and you must obtain a service contract to maintain the freezer in good working order and repair the freezer within four hours of loss of cooling. You may obtain a used freezer for the \$30,000 amount in the Low Range column. You may also lease a freezer that we estimate will cost approximately \$2,500 for the first six months of the lease.

(4) Delivery Vehicle. You must obtain and operate a freezer-equipped ("reefer") delivery vehicle capable of storing at least 50 boxes (box dimensions 13.44 x 9.13 x 9.63 inches), equating to a minimum of 131.7 cubic feet of reefer cargo space. We suggest a light duty or medium duty van with a reefer body. We must approve the vehicle you propose to use for the Franchised Business. You may buy, lease or rent the vehicle but it must be wrapped with our standard vehicle wrap to promote the Franchised Business. If you rent or lease the vehicle, we estimate the cost to be \$8,000 for the first six months of the rental or lease period.

(5) Supplies. You must purchase office supplies, hand trucks, carts, thermal gloves, uniforms and other small supplies and equipment to use in the Franchised Business.

(6) Computer Hardware. We grant you a license to use our proprietary ordering and inventory management applications software while you are a franchisee in good standing. There is no additional

license fee but you must supply the computer hardware and telecommunications services to operate the system. A standard laptop and desktop, plus a printer, and a tablet or cell phone for the delivery vehicle will be acceptable if already available, so these estimated costs may be reduced or eliminated.

(7) ~~Miscellaneous Opening Costs, & Rent & Professional Fees~~. Miscellaneous opening costs include incorporation fees; initial legal and accounting fees; merchant card processing set up fees, utility deposits; business permit fees; and excludes pre-opening compensation and benefit costs for you and your Program Meals Business employees. You must begin paying people at their agreed compensation when they begin training.

(8) **Opening Inventory**. You must purchase in advance of opening, at least this amount inventory of Products from us or our affiliate supplier, which may be HTHM Supply. This purchase price represents approximately 5,000 units. The shelf life of the meals varies, but this supply should be sufficient for your first three weeks of operation.

(9) **Expenses while Training**. These costs are estimated based on two weeks of compensation, lodging, meals and transportation for the general manager of each Franchised Location during initial training. These costs will vary upon your compensation and expense arrangements with the training participants and the distance from our training site.

(10) **Additional Funds**. The Franchised Business will need working capital to sustain earlystage operations for a period of three months after the Program Meals Business opens while the business gets established. The amount needed will depend on your estimate of when revenue will be sufficient to meet cash flow needs. We recommend working capital of at least three months of rent, compensation costs, marketing expenses, vehicle operating costs, utility costs and other operating expenses. We estimated these costs based on our experience with our operations in Massachusetts and franchised operations in Canada.

ITEM 8

RESTRICTIONS ON SOURCES OF PRODUCTS AND SERVICES

Required Purchases

As of the Issuance Date, you must purchase all equipment, fixtures, food products, condiments, supplies, paper products, computer hardware and software, and signage from vendors we approve or to meet our specifications published in the Operations Manual. We specify these requirements in our Operations Manual or otherwise in writing. You must purchase or lease these items only from approved suppliers listed in our Operations Manual or otherwise approved by us in writing. You may not purchase or lease from any source any other goods, services, supplies, fixtures, equipment, signs, inventory, or real estate relating or any other alternative supplier to the establishment or operation of your Franchised Business without our prior written consent. In particular, the freezer unit at your facility must meet our technical specifications and be capable of maintaining interior holding temperatures of zero to -4 degrees F. We must approve the design and specifications of your freezer before you commit to its purchase or lease.

Required and Approved Suppliers

All Products must be purchased from us or an affiliate we designate as the supplier of Product, such as HTHM Supply. We may designate other required or approved suppliers of goods and services used in your Franchised Business. We, HTHM Supply or an Affiliate may be the sole approved suppliers for proprietary goods or services, or for goods and services we deem to be integral parts of the Franchised System that must be supplied on a consistent, uniform basis to all franchisees. We or our Affiliates may

earn a profit from providing purchasing and procurement services, including receipt of fees from third party suppliers. Our affiliate HTHM Supply is currently the only approved supplier for the Program Meals.

The freezer truck and its upfit of the freezer compartment must meet our technical specifications. We recommend a RAM Promaster City Tradesman cargo van on a 122.4” wheelbase and 131.7 cubic feet of cargo volume before upfit. We must approve any other make and model, which should offer at least that amount cargo volume before upfit. An approved supplier for the freezer upfit is Subzero

Technologies, 45 E. Industry Court, Deer Park, NY 11729. Our approved freezer refrigeration unit is a Thermo King V220-20 MAX model with standby mode. Any other refrigeration unit or upfit supplier requires our prior approval.

An authorized supplier of the wrap for your reefer truck is Wrap Solutions, 30 6th Rd., Woburn, MA 0181. You may use any qualified wrap supplier that is a 3M certified vinyl installer, provided that you obtain our prior approval for the installer you select.

Insurance

Before you open your Franchised Business, you must obtain the type and amount of insurance coverage for the Franchised Business we specify in the Franchise Agreement, in the Operations Manual or otherwise in writing. You must obtain and maintain the specified insurance coverage during the term of the Franchise Agreement from a responsible carrier or carriers authorized to write coverage in your state having an A.M. Best rating of at least A-VI that we find acceptable. The type of coverage includes:

(1) Commercial General Liability coverage (\$1 million single limit per occurrence; \$2 million general aggregate limit, for both general liability and products /completed operations liability) for personal injury and property damage, including premises, independent contractors, products and completed operations, contractual, personal and advertising liability, on an occurrence basis, with coverage on a 1986 or later ISO commercial general liability form policy;

(2) “All Risk” property coverage including a property damage limit for the full cost of replacement of the Program Meals Business and business interruption coverage for up to twelve months of projected earnings;

(3) Business Automobile Liability covering liability arising out of any auto (including owned, hired and non-owned autos), with a minimum of \$1 million combined single limit each accident;

(4) Workers’ Compensation or legally appropriate alternative covering all employees and contractors working at the Program Meals Business for statutory limits and Employers Liability with minimum limits of \$1 million for bodily injury for each accident, \$500,000 bodily injury by disease for each employee and \$500,000 bodily injury disease aggregate;

(5) A \$2 million Umbrella Policy on an occurrence basis excess of covering excess of the underlying insurance described in (1), (3) and (4) above which is at least as broad as each and every underlying policy, provided that you may purchase more underlying coverage and less umbrella coverage under such policies as long as you maintain the total amount of the limits specified for each coverage area

(6) Other insurance as may be required by the state or locality of the Franchised Location;

(7) Employment practices liability insurance with a limit of \$500,000; and

- (8) Employee Dishonesty/Fidelity insurance with a limit of \$100,000.

All of the liability insurance policies, other than Workers' Compensation, must name us, Parent, and our respective officers, directors, members, shareholders, partners and employees as additional insureds on a primary noncontributory basis for operations of the Program Meals Business. The form of additional insured endorsement will be CG 20 10 or its equivalent. If the additional insured has other insurance applicable to a loss, it will be on an excess or contingent basis. The additional insured's insurance coverage will not be reduced by the existence of such other insurance.

Approval of Alternative Suppliers; Product Specifications

If you want to use a good or service or obtain a good or service (other than Products) from a supplier we have not yet approved, you first must submit sufficient information, specifications and/or samples for our determination whether the product or service complies with our System Standards, or the supplier meets our approved supplier criteria. We may establish and revise our approved supplier criteria from time to time as we deem appropriate and will make them available to our franchisees upon written request. We may condition our approval of a supplier on the supplier's agreement to comply with product quality standards, frequency of delivery, standards of service, and concentration of purchase requirements. We also may impose limits on the number of approved suppliers, products and services. Our approval should not take more than 30 days in most instances. We reserve the right to test equipment or supplies and inspect the premises of suppliers before granting our approval. We will invoice you for the out-of-pocket costs and expenses we incur for any inspection or testing. We will not issue our approval of the supplier until you pay that invoice. We may terminate our approval of a supplier or any products or services at any time, with or without cause, upon reasonable written notice of 30 days.

We will formulate and modify our equipment, vehicle, technology, product and ingredient specifications and standards by reviewing each product on an individual basis, taking into consideration the supplier's ability to provide consistently high-quality products and services to you or our approved suppliers on a timely basis. We generally will formulate specifications and standards based on the quality of the products and other relevant factors. We periodically may review each product and respective supplier to make sure that the supplier is following the specifications and standards.

We may issue some of our technology, product and ingredient specifications and standards to our approved suppliers under appropriate confidentiality restrictions, but not to our franchisees. We may undertake other steps to maintain trade secrets and confidentiality of proprietary recipes and formulations, software and other items.

Revenue from Franchisee Purchases

As of the Issuance Date, we derive no revenue or other material consideration from franchisee purchases. We may derive revenue from suppliers from franchisee purchases in the future in our sole discretion. We or our designated supplier affiliate will derive revenue from franchisee purchases of Products. [During its last fiscal year ended December 31, 2024, our affiliate, HTHM Supply, received a total of \\$0 in revenues from purchases by franchisees.](#) None of our officers owns any interest in any supplier.

Percentage of Total Purchases Represented by Required Purchases

Required purchases consist of items you must purchase from approved suppliers or under our established specifications. Your required purchases and leases will represent approximately 100% of your total opening expenses (excluding the cost of real estate and improvements) and approximately 85% of your required purchases and leases while operating the Franchised Business.

Payments to Franchisor from Designated Suppliers

We intend to negotiate preferred vendor agreements with designated suppliers and approved suppliers that we expect will provide favorable pricing and delivery terms to franchisees. These agreements may pay us revenues based on the volume of franchisee purchases, which may be measured in sales dollars or units sold. These arrangements are not in effect as of the Effective Date, but we expect them to be in place in the future.

Cooperatives

We do not have any purchasing or distribution cooperatives.

Negotiated Purchases

We may negotiate purchase arrangements or discounts for your Franchised Business. Certain of our suppliers may allow you to participate in the volume discounts we receive. However, these volume discounts will extend only to pricing terms and will not include any of the credit terms we have negotiated. We do not otherwise negotiate purchase agreements on behalf of our franchisees or any distribution cooperative, and do not guarantee pricing, credit or other terms for vendors by our franchisees.

Material Benefits

We do not provide any material benefits to you if you obtain goods or services from approved suppliers.

ITEM 9

FRANCHISEE'S OBLIGATIONS

This table lists your principal obligations under the Franchise Agreement. It will help you find more detailed information about your obligations in that agreement and in other items of this Disclosure Document.

<u>Obligation</u>	<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
a. Site selection and acquisition/lease	3.01, 3.02(b), 3.02(e)	11
b. Pre-opening purchases/leases	3.04, 3.05, 6.01(a), 9.08, 9.14	8
c. Site development and other—pre-opening pre-opening requirements	2.04, 3.02(d), 3.04, 5.04, 9.02, 9.03, 9.06, 9.07	6, 7 and 11
d. Initial and ongoing training	8.04, 9.03, 9.04	11
e. Opening	3.05	11
f. Fees	5.01, 5.02	5, 6 and 7
Obligation	Section in Agreement	Disclosure Document Item
g. Compliance with standards and policies/operating manual	2.07, 7.04, 7.05, 7.09, 7.10, 9.01, 9.16, 9.17, 9.22	11

h. Trademarks and proprietary information	2.07, 4.02, 4.03, 4.04, 4.05, 12.01, Schedule D	13 and 14
i. Restrictions on products/services offered	2.03, 3.03, 7.06, 7.08, 8.09, 9.01, 9.12, 9.19(d), 9.20	16
j. Warranty and customer service requirements	9.02, 9.18	9
k. Territorial development and sales quotas	2.02	12
l. Ongoing product/service purchases	9.11, 9.13	8
m. Maintenance, appearance, and remodeling requirements	3.02(d), 3.03, 9.08, 9.09	11
n. Insurance	9.07	6 and 8
o. Financing	5.03	10
<u>Obligation</u>	<u>Section in Agreement</u>	<u>Disclosure Document Item</u>
p o. Advertising	7.07, 8.13, 9.19, 9.20	6 and 11
q p. Indemnification	14.01	6
r q. Owner's participation/management/staffing	2.04, 9.02, 9.05, 10.05(c), 10.08, 10.09	11 and 15
s r. Records and reports	5.02(l), 6.01, 6.02, 7.01, 7.02	6
t s. Inspections and audits	6.03, 6.04, 9.10	6
u t. Transfers	10.02, 10.04, 10.07	6 and 17
v u. Renewals	2.05	17
w y. Post-termination obligations	11.04, 11.06, 11.08, 11.09, 12.03	17
x w. Non-competition covenants	12.02, 12.03, 12.04	17
y x. Dispute resolution	16.03	17
z y. Other - Guaranty	Article XIII, Schedule F	1, 15

ITEM 10

FINANCING

Except as stated below, we do not offer direct or indirect financing. We do not guarantee your note, lease, or obligation.

We secure your obligation to pay for Products with a Security Agreement in which you grant to us a first priority purchase money security interest in the Products you purchase from us or our supplier affiliate and the proceeds from the sale of the Products to customers. ~~The security agreement covers the collateral of the franchisee at the Franchised Location and any other location where it is stored. Because our supplier sells meals on credit that can be resold easily in bulk or in retail transactions, the Security Agreement assures payment for this perishable inventory.~~ The Security Agreement prohibits you from granting any secondary security interest in the Products or their proceeds. The Security Agreement requires that you maintain the Franchise Agreement in good standing, give notice to any landlord of the Franchised Location of our security interest, and generally reserves to us or our affiliate the rights of a purchase money security interest

holder under the Uniform Commercial Code. If you fail to pay any invoice for Products when due, and such failure continues for thirty (30) days after written notice of default from us, we may initiate proceedings to foreclose on the collateral and take possession. We reserve the right to purchase any deficiency between the value of recovered collateral and the amount owed for unpaid Product invoices. You must maintain the collateral in saleable condition in the Franchised Location except for sales in the ordinary course of business and returns we authorize. The Security Agreement requires you to waive defenses and asserting any right or counterclaim arising under or relating to the Franchise Agreement as a defense under the Security Agreement.

ITEM 11

FRANCHISOR'S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS, AND TRAINING

Except as listed below, we are not required to provide you with any assistance.

Before you open your Franchised Business:

(1) We do not typically own the Franchised Location and lease it to you. The Franchisor must approve your proposed location before the lease or purchase agreement for the Franchised Location is signed, or you select your home as the Franchised Location. The Operations Manual will specify a form for each proposed location to be completed and submitted by you to us. (Franchise Agreement Section 3.01)

(2) We will review the information you submit for each proposed site for a Franchised Location, conduct any investigation of the proposed site we deem appropriate to evaluate the site, and ~~approve~~accept or reject the site. For specifications regarding the factors contributing to the ~~approval~~acceptance or rejection of a franchise site, see Site Selection below. (Franchise Agreement Section 3.01(b))

(3) We will ~~approve~~accept or reject each proposed Franchised Location site within 30 days after your submission of all initial and supplemental information we request regarding a proposed site. If we ~~approve~~accept the site (the "~~Approval~~Acceptance Date"), we will give you notice of any remaining conditions to that ~~approval~~acceptance. If we reject the site, we will give you the reasons for the rejection. If possible, you may submit the site information before you sign the Franchise Agreement so the ~~approved~~accepted location will be listed in the Franchise Agreement when you sign it, in which case the ~~Approval~~Acceptance Date is the date of the Franchise Agreement. The ~~Approval~~Acceptance Date must occur no later than 45 days after the date of the Franchise Agreement. (Franchise Agreement Section 3.01(b))

(4) We must approve the terms of your lease or purchase agreement for the approved site and any modifications or amendments, if applicable, before you sign the lease or purchase agreement. We will review the lease or purchase agreement and any modifications or amendments to the lease or purchase agreement and ~~approve~~accept or reject your lease or purchase agreement for the Location within 30 days after your submission of all initial and supplemental information we request regarding the proposed lease or purchase agreement. Each Franchised Location must be owned by you or under lease to you and not to an affiliate if you do not own the real property. We do not review, provide advice on or approve any financing you obtain for your development costs. The date you sign the approved lease or purchase agreement is the "Commitment Date" and you must provide us with a copy of the signed document within 5 business days after the Commitment Date. Your lease must include our form of Lease Rider, which allows

us to compel you to assign your lease to us and compels the landlord to accept the assignment of the lease, under certain conditions, if you default and fail to cure the default. (Franchise Agreement Section 3.01(b))

(5) We will have the right to terminate the Franchise Agreement if you fail to either (1) (i) gain our [approval/acceptance](#) of your proposed Franchised Location, and (ii) sign a lease or a purchase agreement we approve for the accepted Franchised Location so that the Commitment Date occurs within 45 days after the [Approval/Acceptance](#) Date. (Franchise Agreement Section 11.01(s))

(6) We will designate the Territory for your Franchised Business as part of the [approval/acceptance](#) process. We may modify the Territory if you don't meet the performance criteria specified in the Franchise Agreement in our sole discretion from the area described in the Franchise Agreement.
(Franchise Agreement Section 2.02)

(7) We will provide you with our standards for the commercial freezer, specifications for layout of the interior, mechanical and electrical systems, equipment, décor, and signs for a prototype Franchised Business that we make available to franchisees. We will not provide these items to you directly for the Franchised Location. We do not provide assistance with the delivery and installation of these items. (Franchise Agreement Sections 3.01)

(8) We will review and comment on your site plan and final plans and specifications for conformity to System Standards. (Franchise Agreement Section 3.01(c))

(10) We will provide your Owner-Operator, and one other person you select with initial training in the System and methods of operating a Franchised Business before the opening of your Franchised Business. See details of the franchise training program below at Training. During the initial training or prior to the opening of the Franchised Business, we will provide you with two (2) uniforms, will arrange for the installation at the Premises of our designated ordering and inventory management software and will conduct an initial marketing program for the launch of the Franchised Business. (Franchise Agreement Section 8.01)

(11) Except as set forth above, we do not provide you with assistance in locating a site, negotiating a purchase or lease of the site, conforming the premises to local ordinances and building codes, obtaining any required permits, constructing, remodeling or decorating the premises, hiring and training employees, and providing for necessary equipment, signs, fixtures, opening inventory and supplies. (Franchise Agreement Section 3.02(a))

Site Selection

You will have responsibility for selecting the site for your Franchised Location and submitting information on the site review form we include in the Operations Manual. We have the right to approve or reject the site you select. In determining whether to approve or reject a site, we will consider demographic evaluations, traffic patterns, population density of our target population (persons over 70 and persons unable to prepare their own meals living in residences, group and institutional settings), proximity ~~and travel times to concentrations of the target populations~~ [to activity centers and employers](#), physical site profiles, competition in the market area, and other factors. We have no obligation to provide any assistance in locating a site, negotiating the lease, conforming the premises to local codes and ordinances, obtaining permits, constructing, remodeling or decorating, hiring and training employees (except for the training we provide described in Training below), or providing for necessary equipment, signs, fixtures, opening inventory and supplies, except for the opening inventory of Products purchased from us or our designated supplier. You must propose a location, obtain our [approval/acceptance](#) of your proposed location within 90 days after the date of the Franchise Agreement (defined as the [Approval/Acceptance](#) Date above), and enter

into a signed lease or a purchase agreement in the form we approve for the approved site within 10 days after the Approval Acceptance Date (described as the Commitment Date above). (Franchise Agreement Sections 3.01, 3.02, 3.04)

Typical Length of Time to Open

Based on the experience of our company-owned locations, we estimate that it will take approximately 90 days after the Effective Date to prepare the Franchised Location, install the freezer, obtain the delivery truck and open a Franchised Business. We set the opening deadline for the Franchised Business at 90 days after the date of the Franchise Agreement. Factors that may affect that time period for developing a Franchised Business include local permitting and approvals, availability of your selected contractors and their subcontractors, supply chain delays in obtaining required building materials, the freezer, a suitable truck and other necessary items. (Franchise Agreement Sections 3.01, 11.01(o))

Post-Opening Assistance

(1) We will provide franchise training program participation opportunities for your replacement and additional managers on our one-week training course, when previously trained managers are replaced. You must reserve training program dates and pay the related fees when required under Operations Manual. You are responsible for your trainees' travel, lodging, meal, incidental, compensation and benefit costs for their attendance at training. (Franchise Agreement Sections 8.02, 9.04(b))

(3) We will publish a list of approved suppliers and their respective approved products and services in the Operations Manual and/or in other written or electronic communications to you. As new suppliers, products and services become available, we will amend that list. (Franchise Agreement Section 8.08)

(4) We will provide you with the merchandising, marketing and advertising research data and advice that we develop from time to time and deem helpful in the operation of a Franchised Business. (Franchise Agreement Section 8.07(a))

(5) We will conduct periodic field evaluations and quality assurance inspections of the Franchised Business to test and promote its compliance with System Standards and quality controls. These evaluations and inspections may offer suggestions and recommendations about your staffing but you have no obligation to follow the suggestions or recommendations. We may conduct mystery shopping and customer surveys for Franchised Businesses and share the results with franchisees. (Franchise Agreement Section 8.07)

(6) We will provide you with periodic individual or group advice, consultation and assistance by personal visit, by telephone, electronic communication, or by newsletters or bulletins that we make available to our franchisees. These consultations will cover training employees, selecting and purchasing supplies, formulation and implementation of local advertising and promotional programs, and the establishment of accounting, inventory control and general operating procedures. (Franchise Agreement Sections 8.02, 8.07)

(7) We will provide you with any other materials in any medium that we may develop to communicate new developments, techniques, and improvements in the System and our plans, policies, research, developments and activities to franchisees. (Franchise Agreement Section 8.07)

(8) We will provide you with other resources and assistance that we may develop and make generally available to all of our other franchisees. Under no circumstances will we act directly or indirectly to control, nor do we reserve the right to control, the terms and conditions of employment for your employees, or advise you on your hiring, scheduling, supervision, discipline and termination decisions. (Franchise Agreement Sections 8.07, 9.02)

(9) We will consider your request to continue affiliation with the System through a Successor Franchise Agreement upon your satisfaction of the conditions described in the Franchise Agreement. (Franchise Agreement Section 10.02)

(10) We will review any proposed transfer of your Franchise Agreement or Franchised Business and either approve or disapprove that proposed transfer. (Franchise Agreement Section 10.02(c), 10.02(d))

Except as set forth above, we have no obligation to assist you during the operation of the franchise, and we have no obligation to provide you with assistance in developing products and services you will offer to your customers, hiring and training employees, improving and developing the Franchised Business, establishing prices, establishing and using administrative, bookkeeping, accounting and inventory control procedures, and resolving operating problems you encounter in running the Franchised Business. (Franchise Agreement Sections 3.02(a), 9.02)

Advertising Council

We currently have no advertising council composed of franchisees. We have no obligation to create an advertising council. We may develop a council in the future.

Local Marketing

We have no obligation to advertise ~~or spend any amount on advertising~~ in your Territory or your broader media market. You are obligated to spend three percent (3.00%) of Gross Sales (in addition to the Marketing Fund Fee) on local marketing, advertising and promotion annually. We may, but are not obligated to, assist you with the review of local media campaigns. These efforts may include of advertisements in local newspapers serving the Territory and on-site presentations and demonstrations to target customer groups, hospitals and other health care facilities and senior care homes. Local marketing and promotional expenses include the cost of direct mail solicitations, public relations activities, community events and sponsorships, newspaper advertisements, telephone book listings and advertisements, and other distributed promotional materials. Local marketing and promotional expenses do not include amounts spent on sign rental, paper products, or food items which may contain one or more of the Marks. We may, but are not obligated to, provide you with standard print media advertising templates to use locally. You will submit for our approval samples of all advertising and promotional materials that you wish to use at least thirty (30) days before making any financial commitment to use the materials. We will provide notice of any objections to the proposed materials within ten (10) days after its receipt. If you fail to discontinue the use of any unapproved materials within five (5) days after notice from us, we may enter the Franchised Business, remove any unapproved materials and hold the materials for proper disposition.

If any applicable local newspaper or directory serving the Territory also services the territory or territories of one or more other Heart to Home Meals franchisees, we shall have the right to require that Franchisee and such other franchisees jointly place an advertisement in such newspaper or other directory, whether by electronic means or otherwise, which advertisement shall contain information pertaining to the Heart to Home Meals Business of each such franchisee. The cost of any such advertisement shall be borne equally by you and such other franchisees.

We will administer the Marketing Fund and will disburse the Marketing Fund to pay for marketing, advertising, promotional, public relations, and other similar activities intended to benefit the System and all franchised and Affiliate-owned locations on a national or regional basis. Those activities may include (without limitation) (a) market research, (b) technology development and implementation, (c) customer service, loyalty and reward programs, (d) media purchases, (e) advertising production, (f) advertising and public relations agency fees and expenses, (g) product research and development, (h) developing and implement marketing strategies, annual Unit marketing plan templates and supporting the evolution of the Grand Opening Plan, and (i) developing and protecting our intellectual property. We also may use the Marketing Fund to pay or reimburse us for our administrative overhead incurred for activities supported by the Marketing Fund. Any money in the Marketing Fund not spent at the end of each fiscal year will remain in the Marketing Fund, provided that amounts contributed to the Marketing Fund may be used to pay taxes associated with unspent amounts on deposit in the Marketing Fund. We will have the sole and exclusive discretion to direct all activities and programs funded by the Marketing Fund. The Marketing Fund will not be separately audited, and we have no obligation to make its financial statements available to franchisees. We have no obligation to expend Marketing Fund amounts for your benefit equivalent or proportionate to your Marketing Fund Fees, and we do not warrant or guarantee that you will receive or derive any benefit from Marketing Fund activities. We will make all studies and reports produced by the Marketing Fund available to you at no cost as Confidential Information. We will make copies of all materials produced by the Marketing Fund for franchisee use available to you at your expense. We may suspend, terminate, and reinstate the Marketing Fund at any time. The Marketing Fund will not terminate, however, until we have spent all money in the Marketing Fund for the purposes set forth above. Upon your written request, we will provide you a copy of our annual report of expenditures of the Marketing Fund during the most recently ended fiscal year on a confidential basis. (Franchise Agreement Section 8.11).

You are not obligated to participate in any other advertising fund in addition to the Marketing Fund, the advertising cooperatives to which your franchise may be assigned as of the Effective Date. The Marketing Fund has had no contributions as ~~February 2024~~of the Issuance Date, and no Marketing Fund disbursements were made in ~~2023~~2024. We will not use the Marketing Fund to solicit new franchise sales. Consumer advertising copy for which the Marketing Fund pays may include solicitations of interest for prospective franchisees.

Computer Systems

You must purchase and install before opening your Franchised Business the hardware and software to run a computer-based management system, including our proprietary ordering and inventory management applications that we make available to you. We will advise and work with you to select these systems from our approved solutions. We require you to use the systems described below to assist you in operating your Franchised Business. These systems will generate or store data such as customer data, labor data, financial information, and transaction details. (Franchise Agreement Section 9.14)

Our current approved Computer System consists of a Windows PC and an internet connection. It includes the following hardware:

- Windows PC (Laptop or Desktop) with the following minimum requirements:
 - o 8GB Ram
 - o 512GB SSD
 - o AMD R Series or Intel Core i5 CPU
- Internet Connection with the following minimum requirements:
 - o 50 Mbps download speed o 5 Mbps upload speed

- Color Printer o Printer must at a minimum print in color and be able to print 100 sheets of paper at a time.

The Computer System may vary if or as we update and approve comparable systems. (Franchise Agreement Section 7.09)

We estimate the cost of the software subscriptions and integrations to be a minimum of \$138 per month as of the Issuance Date, based on one user license per software. This includes the following required software:

- ERP Software (Business Central) o \$50/user/month
- Microsoft License (Minimum of F3 license to use Microsoft Teams and Microsoft Outlook. License can be upgraded for additional cost paid by the Franchisee.)
 - o F3 license: \$8/user/month billed annually
- Order Routing Software (OptimoRoute, Pro Plan) o \$49/vehicle/month
- o Text notifications charged at \$0.01/text
- VoIP Phone Software (Ring Central) o \$31/line/month + applicable taxes by state
- o Reporting license can be purchased for addition \$13.75/user/month

In addition, you will be required to setup a Merchant Account with Bambora for credit card processing, we estimate the charges for Bambora will be as follows:

- Payment Processing Provider Software (Bambora) o \$0.15 per transaction (Pre authorization, Approved Transaction, and Declined) and Credit Card effective rate 2.55%

The vendors may change these subscription fees at their discretion under their terms of service. We may provide technology support services via telephone, text and electronic mail. We do not currently charge for these support services, but we may impose a technology fee in the future to provide funding to cover the costs plus overhead for these services. (Franchise Agreement Section 5.02(k))

We estimate that that required hardware will cost between \$1,500 and \$2,000 to purchase. We are not obligated to provide any ongoing maintenance, repairs, upgrades, or updates. We do not require you enter into any such contract with a third party, other than your monthly subscription for the required systems listed above. You must upgrade or update any system when we determine. There is no contractual limit on the frequency or cost of this obligation. We estimate that the annual cost of any optional or required maintenance, updating, upgrading, or support contracts will be \$5,000 to \$10,000. (Franchise Agreement Section 7.01)

No compatible equivalent components or programs have been approved by us to perform the same functions. We reserve the right to change our supplier of software services and electronic cash register systems. The Computer System's hardware, software and configuration may also vary if or as we update and approve comparable systems. (Franchise Agreement Sections 7.01, 7.09)

You must give us independent access to the information that will be generated or stored in these systems. The information that we may access will include sales transactions, customer data, and reports. There is no contractual limitation on our right to access the information. (Franchise Agreement Sections 6.01(b), 7.02, 9.14)

TRAINING PROGRAM

<u>SUBJECT</u>	<u>HOURS OF CLASSROOM TRAINING</u>	<u>HOURS OF ON-THE-JOB TRAINING</u>	<u>LOCATION</u>
Introduction and Business Overview	3	1	Head Office, Marlborough, MA
Product Review	1	2	Head Office, Marlborough, MA
Daily Operations and Equipment	1	6	Head Office, Marlborough, MA
Warehouse and Inventory Management	2	3	Head Office, Marlborough, MA
<u>SUBJECT</u>	<u>HOURS OF CLASSROOM TRAINING</u>	<u>HOURS OF ON-THE-JOB TRAINING</u>	<u>LOCATION</u>
Service Standards	2	3	Head Office, Marlborough, MA
Administration and Process	4	1	Head Office, Marlborough, MA
<u>SUBJECT</u>	<u>HOURS OF CLASSROOM TRAINING</u>	<u>HOURS OF ON-THE-JOB TRAINING</u>	<u>LOCATION</u>
Marketing and Sales	2	4	Head Office, Marlborough, MA
Review and Franchise Supports	4	1	Head Office, Marlborough, MA
TOTAL	19	21	

Prior to the opening of the Franchised Business, the Franchisor will provide training to an OwnerOperator and to one (1) additional person designated by the Franchisee. The initial training program consists of training in all aspects of the System and the management and operation of a Heart to Home Meals business including training in food handling, customer service, driver training, marketing and promotion, office administration and reporting and employee training. The initial training program takes place over seven (7) days at the Franchisor’s head office or, if required, it may be given virtually by way of a web-based classroom platform or other online resource. The cost of the initial training is included in the Initial Franchise Fee. However, the Franchisee is responsible for all travel, living expenses and wages or other compensation payable to its attendees during their attendance at training. You must complete this initial training to our satisfaction, which we determine based on our instructors’ evaluation of your knowledge of the System and our method of operation. The initial training program will be offered as an needed basis, which we expect to be at least once a calendar quarter. Your Owner-Operator must attend and complete training so that your Franchised Business may open within 90 days after signing your Franchise Agreement.

The instructors for our training program and their relevant experience are:

Instructor	Years Experience in Industry	Years Experience with Us and our Affiliates
Raymond Costello	15	1.5
Pedro Santos	7	4
Sebastian Beaudet	6	3

The Franchisor will furnish continuing advice and guidance to the Franchisee as required with respect to System and the operation by the Franchisee of its Heart to Home Meals Business, as more particularly described in the Franchise Agreement. At the Franchisee's request, the Franchisor may provide special assistance for which the Franchisee will be required to pay such fees and expenses as the Franchisor designates. Replacement managers must attend initial training at a tuition cost set in the Operations Manual, currently \$2,000, plus the costs of compensation, benefits, travel, lodging, meals and incidental expenses of each trainee, to be paid by the Franchisee. We may mandate or suggest refresher courses for Owner-Operators and managers as and when we believe refresher training is appropriate, including as a result of operational failures of performance by a franchisee. _____

ITEM 12

TERRITORY

Franchise Agreement

The Franchise Agreement grants you the right to operate a single Franchised Business in the Territory from the Location approved by us. You will not receive an exclusive Territory. ~~You may face competition from other franchisees, from outlets that we own, from other channels of distribution or competitive brands that we control.~~ A Franchisee's rights to the Territory are subject to compliance by the Franchisee with any Sales Target imposed by the Franchisor. If the Franchisee fails to achieve any such Sales Target, the Franchisor has the right, without waiving its right to terminate the Franchise Agreement, to modify the size or boundaries of the Territory and in such event, the geographical description of the Territory will be deemed to be amended to describe the reduced Territory. In addition, but without waiving the Franchisor's right to modify the Territory, if the Franchisee fails to provide the Products to customers in any discrete part of the Territory or fails to provide the Products to a customer within a reasonable time following a customer's request therefor, the Franchisor may grant to others, including the Franchisor or its Affiliates, the right to provide the Products in such discrete part of the Territory or to any such customer for such period of time as the Franchisor determines, unless and until the Franchisee demonstrates to the Franchisor's satisfaction that the Franchisee will provide Products to the affected part of the Territory or to the customer consistent with System Standards.

We examine the boundaries, size and target population of the area in which you are interested and determine the "Territory," which is stated in Attachment A of the Franchise Agreement you sign. The target population is the number of persons over 70 years of age living in their own homes, and any other identifiable persons who cannot prepare their own meals. The Location must be within the Territory. We expect each Territory to have a target population of at least 70,000 people over age 70 living in their own homes. Since the Territory is defined with respect to the specific Location we approve, if you have not selected and we have not approved a Location at the time you enter into a Franchise Agreement with us, we will specify a geographic area (the "Target Area") in the Franchise Agreement within which you must locate

the Franchised Business. When we approve a Location, we will then specify the Territory by notice to you in the form attached to the Attachment A to the Franchise Agreement. We may define Territories that have common boundaries and adjoin one another, and there is no minimum spacing or separation between Territories. We usually define the Territory by zip code boundaries created by the U.S. Postal Service, so a delivery address will be readily identified as within or outside a particular Territory.

We generally will consider the relocation of a Franchised Business under the same criteria as we would consider for an application to approve any new location, such demographics, traffic patterns, physical site profiles, access, parking, competition in the market area, and other factors. You will receive no options, rights of first refusal or any similar rights to obtain additional franchises.

~~We do not authorize a franchisee to locate a Franchised Location within the Territory of another franchisee. Each franchisee is prohibited from soliciting, accepting or fulfilling orders from potential Program Customers located outside the Territory, and must refer those customers to us. You may advertise in media that reach an audience outside the Territory, so long as you refer to us any prospective Program Customer located outside the Territory who contacts you. You may not use other channels of distribution, such as the Internet, to make sales outside the Territory.~~

~~Your Heart to Home franchise authorizes sales only to Program Customers living at home in your Territory.~~ We retain the right to operate and license or franchise other persons to operate a Franchised Business at any location outside of your Territory. You may face competition from other [franchisees, from outlets that we own, or from other](#) channels of distribution of competitive brands that we control ~~in the Territory~~. We retain the right to market and sell within or outside the Territory without compensation to you, at any location, under trademarks, service marks, and commercial symbols different from the Marks. We also reserve the right, directly or through any affiliate, offer, distribute, sell and provide the Products identified by the Marks or by other names trademarks or commercial symbols to customers located in the Territory through any distribution channel ~~other than direct home delivery~~, including without limitation [at retail stores](#), through the Meals on Wheels program, ~~and institutional~~ [to non-traditional](#) venues (including long-care homes and hospitals), [online by the internet \(or any other existing or future form of electronic commerce\)](#) and [irrespective of the proximity to the Franchised Business. However, all orders for delivery of Products to customers for home consumption received by the Franchisor through the internet or other form of electronic commerce shall be referred to the Heart to Home Meals Business franchisee in whose Territory the customer is located. The franchisee shall be obligated to fulfil the order as if such order had been received by the franchisee directly, and will receive the full purchase price of the order. If there is no Territory of a Heart to Home Meals Business franchisee covering that customer's location, then the Franchisor shall have the right to fill the order directly or through an affiliate.](#)

~~Your rights to serve Program Customers within the Territory are subject to your compliance with the annual Sales Target. If you fail to achieve the Sales Target for any fiscal year, or you fail to obtain Program Customers in a discrete jurisdiction or area of the Territory (an "Underserved Area") with a substantial population of home-bound individuals over 70 years of age, we reserve the right and have the option, without waiving our right to terminate the Franchise Agreement under Error! Reference source not found., to modify the boundaries of the Territory, remove the Underserved Area from the Territory, or reduce the size of the Territory, by giving you written notice at any time during the 120 days following the end of any fiscal year. We will modify Schedule B of the Franchise Agreement unilaterally by sending to you a revised Schedule B that will become effective on the date specified therein or in the notice transmitting the revised Schedule B. We reserve the right to declare your Franchise Agreement ineligible for renewal if the Sales Target is not met for any fiscal year during the Term.~~

~~In addition to our right to modify the Territory, we may authorize a franchisee to sell and deliver Program Meals to a Program Customer (an "Assigned Customer") who is (i) located outside the Territory~~

~~and not within any franchisee’s territory, or (ii) located within another franchisee’s Underserved Area, or (iii) a prospective Program Customer located within your Territory who has contacted us directly about obtaining Program Meals if you fail to offer to provide the Program Meals within a reasonable time following referral from us of the customer’s request for Program Meals service. We may grant to others, including ourselves or our Affiliates, the right to offer and sell Program Meals to Assigned Customers who may be in the Territory, and to reassign to another franchisee or to our Affiliate the account of the Assigned Customer who is not properly serviced. We may notify you to discontinue serving any Assigned Customer within or outside the Territory at any time in our sole discretion.~~

A franchisee is not permitted to solicit or accept customers from any area that is within the Territory of another franchisee. You may not use other channels of distribution, such as the Internet, to make sales outside the Territory.

We have no present intention ~~to~~but may in the future operate, franchise, plan to operate or franchise a business under a different trademark that sells or will sell goods or services similar to ~~the Products that~~those a System franchisee will offer. ~~We may start or acquire such a business in the future, which may be franchised or company owned.~~ This could include any service or business that offers ~~delivered~~ meals to senior citizens and infirm persons, either on a self-paid basis or as part of a publicly funded or administered support program. The meal recipients may live at home, or be patients in hospitals, acute care facilities or some other institutional or group home setting. The meals may be delivered through a local “Meals on Wheels” charitable program. Such a business could be located or have an outlet in the Territory or distribute meals to customers within the Territory ~~and may solicit or accept orders from customers in the Territory. We reserve the right to manage and resolve any conflicts between these businesses regarding territory, customers and franchisor support. The businesses may share support from us and our Affiliates for supplying meals, marketing and logistics. We may or may not maintain physically separate offices, training facilities and other support facilities for the competing businesses, including the same headquarters.~~

ITEM 13

TRADEMARKS

The Franchise Agreement grants you the right to operate a Franchised Business under the Marks. FIH has registered with the United States Patent & Trademark Office (“USPTO”) the following Marks:

Mark	Registration Number	Principal or Supplemental Register	Registration Date
Heart to Home Meals	5158658	Principal	March 14, 2017
Words Plus Design	5158662	Principal	March 14, 2017



All required affidavits have been filed. No renewals have yet been required. If our right to use the trademark is challenged, you may have to change to an alternative trademark, which may increase your expenses.

There are no currently effective material determinations of the USPTO, the Trademark Trial and Appeal Board, or any state trademark administrator or court, or any pending infringement, opposition or cancellation proceedings affecting the Marks. There is no pending material federal or state court litigation involving the use or ownership rights in a Mark. We know of no superior rights or infringing uses that could materially affect your use of our Marks.

Effective as of September 29, 2023, FIH licensed the Marks and the System to us under a trademark license agreement. We are granted a worldwide license of the Marks and System with the exclusive right to franchise the Marks and the System for 60 years. We are obligated to assure that all sublicensees comply with quality standards set by FIH. The trademark license agreement can be terminated by FIH only if we breach the agreement and fail to cure the breach within 30 days after receiving written notice of the breach, or if we become insolvent or are unable to pay our debts as they become due, or we commence a case for relief or reorganization, or are the subject of an involuntary case for relief or reorganization under the Federal Bankruptcy Code or under any other state or federal bankruptcy or insolvency laws, and such involuntary case continues for more than ninety (90) days after its initial filing without dismissal. At termination of the trademark license agreement, we are obligated to assign to FIH or its designee all license, franchise and sublicensing agreements which we have entered into for the use of the Marks and the System, which shall continue in full force and effect until the expiration of the terms then in effect. If such an assignment occurs, FIH will not assume any liabilities that pre-date the assignment, for which we will remain liable.

We have no affirmative duty to protect your right to use the Proprietary Marks but intend to take appropriate actions if the need arises. We have the right to control any administrative proceedings or litigation involving a Mark we license to you. If anyone institutes or threatens litigation involving any component of the System, including the Marks, against you, you must notify us promptly and cooperate fully with us in defending or settling the litigation. We will have control over the defense and settlement of any administrative proceeding or litigation regarding the System. You also should notify us immediately when you learn about any infringing use of the Marks, any challenge to your use of the Marks, and any use or claim of the right to use any trademark or service mark confusingly similar to the Marks.

ITEM 15

OBLIGATION TO PARTICIPATE IN THE ACTUAL OPERATION OF THE FRANCHISE BUSINESS

A franchisee has responsibility for the operation of its Franchised Business. At least one person who is a guarantor under the Franchise Agreement or has a significant equity ownership position in the franchisee (at least 20.00%) must be designated the Owner-Operator of the franchisee and attend the initial training program. The Owner-Operator must dedicate his or her full working time and attention to the Franchised Business. You may hire an “on-premises” manager to handle the day-to-day operations of your Franchised Business, but any such manager must have completed the initial training program. Your on-premises manager must sign a written agreement at the time of employment to maintain the confidentiality of the trade secrets and other proprietary information contained in Item 14. The form is included in the Franchise Agreement as an Attachment and a copy of the fully executed agreement must be sent to us promptly after signing, and before we begin training for this manager.

If you operate as a corporation, partnership or other form of business entity, each of your owners must guarantee your obligations and agree to a restriction on the transfer of their equity ownership interests under the Guaranty and Restriction Agreement attached as an Attachment to the Franchise Agreement. We may require employees of yours who have received or will have access to our Manual or confidential information to sign a non-disclosure agreement.

ITEM 16

RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL

You must operate your Franchised Business under the System as specified in the Franchise Agreement, the Operations Manual, and in our standards and policies. You may not engage in any business or offer any other services or products at your Franchised Business that is or are not a part of the System or without our express authorization in advance. You must offer our entire menu except those items we designate as optional. You may not offer additional menu items without our prior written consent. We retain the right to modify the Operations Manual to modify, discontinue or add to the goods and services that you must sell in your Franchised Business, which may include new or modified menu items and recipes, methods of preparation or serving, and the installation and use of new or modified food preparation and serving equipment. There are no limits on our right to make these changes.

All advertising and promotional materials, signs, decorations, paper goods (including menus and all forms and stationery used in the Franchised Business) and other items we designate must bear the Marks in the form, color, location and manner we prescribe. In addition, all advertising and promotion in any medium, (including websites, Internet postings or markings) must be conducted in a dignified manner and must conform to the standards and requirements in the Operations Manual, the Franchise Agreement or otherwise. You must obtain our approval before you use any advertising and promotional materials and plans. You must obtain our written approval of the content and design of your website or Internet posting or marketing in advance of such use and such use must be in compliance with our policies including the use and presentation of the Marks.

You may not use the Marks to offer or sell any services or products not a part of the System that we do not first otherwise approve. You must comply with the rules and guidelines we issue for using the Marks. You cannot use a Mark as part of a corporate name or with modifying words, designs or symbols, except for those which we license to you. You also cannot display or erect any other mark on your office,

stationery, advertising, sales/promotional materials or other objects, except for those Marks licensed to you. You may not use any Mark to promote or identify the sale of an unauthorized product or service, or in a manner we do not authorize in writing.

We have the right to establish a Program Customer survey feedback program, and any similar programs that we elect, in our sole discretion, to implement. We may use the scores and comments from such program to evaluate whether or not you meet System Standards, are eligible for additional franchises or area development agreements, or comply with your Franchise Agreement. As of the Issuance Date, we have not established a guest survey feedback program.

ITEM 17

RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION

THE FRANCHISE RELATIONSHIP

Franchise Agreement

This table lists certain important provisions of the Franchise Agreement. You should read these provisions in that agreement attached as Exhibit A to this Disclosure Document.

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
a.	Length of the franchise term	2.01	The Franchise Agreement runs for a term of 7 years from its effective date unless terminated earlier under the Franchise Agreement.
b.	Renewal or extension of the term	2.05	You may renew the franchise for a one seven-year renewal term. You may not renew without our consent if (i) you or any of your Affiliates are in default under any Franchise Agreement with us, (ii) any monetary obligations to us or our Affiliates, or trade creditors of the Franchised Business are unsatisfied, (iii) you have met your Sales Targets during the Term and your Market Index score for the Franchised Business for the fiscal year preceding the date of the renewal notice must place you in the top half of all franchisees, excluding those in their first year of operation of their Franchised Business. As of the Effective Date, we plan to use a Market Index metric of “Cash Growth,” which is the change in Gross Sales per capita in the Territory over a 52-week period, indexed by the average of the four 52 week periods preceding the date of calculation. We will notify you if you choose to renew and you do not meet these conditions. We may change our performance metric from Cash Growth in the Operations Manual.

c.	Requirements for franchisee to renew or extend	2.05	You may renew the franchise for one additional “Renewal Term” of 7 years, subject to satisfaction of the following conditions for renewal: You must give us at least 180 days but not more than one year’s advance notice of renewal, sign our then current form of the Franchise Agreement and ancillary agreements (which may contain materially different terms and conditions from the original contract, including higher fees), execute a general release of claims, complete any retraining program we may require, and pay a renewal fee of 50.00% of the then current Initial Franchise Fee. You must also agree to renovate, replace, reequip and update the Premises, including the commercial freezer, and update or replace your Delivery Vehicles, to our current entry standards. All Guarantors must sign our current form of Guaranty and Restriction Agreement.
d.	Termination by franchisee	11.02	You have no express termination rights. You may have common law termination rights if we default materially under the Franchise Agreement and fail to cure the default.

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
<u>c.</u>	<u>Requirements for franchisee to renew or extend</u>	<u>2.05</u>	<u>You may renew the franchise for one additional “Renewal Term” of 7 years, subject to satisfaction of the following conditions for renewal: You must give us at least 180 days but not more than one year’s advance notice of renewal, sign our then current form of the Franchise Agreement and ancillary agreements (which may contain materially different terms and conditions from the original contract, including higher fees), execute a general release of claims, complete any retraining program we may require, and pay a renewal fee of 50.00% of the then current Initial Franchise Fee. You must also agree to renovate, replace, reequip and update the Premises, including the commercial freezer, and update or replace your Delivery Vehicles, to our current entry standards. All Guarantors must sign our current form of Guaranty and Restriction Agreement.</u>
<u>d.</u>	<u>Termination by franchisee</u>	<u>11.02</u>	<u>You have no express termination rights. You may have common law termination rights if we default materially under the Franchise Agreement and fail to cure the default.</u>

e.	Termination by franchisor for commercial impracticability	11.03	We may terminate your Franchise agreement after written notice to you if we determine that either (i) a law or regulation is enacted, promulgated, repealed, modified or amended, (ii) a judicial or administrative tribunal or administrative agency has issued, published or released a decision, ruling or opinion in a matter not involving the Parties directly or indirectly that we reasonably expect will affect applicable law or its interpretation, or (iii) an administrative agency, arbitrator or judge has issued an interim or final decision in a matter in which the Parties are involved directly or indirectly, which (A) frustrates or adversely affects or could reasonably be expected to affect adversely the purposes of the Franchise Agreement, (B) makes performance of the Franchise Agreement commercially impracticable, (C) effectively modifies the allocation of risk, benefits and burdens agreed by the Parties, (D) deprives any Party of its benefits of the bargain struck by the Parties, as originally set forth in the Franchise Agreement, or (E) determines that an employment or a joint employment relationship exists between the franchisor and the franchisee, or between the franchisor and the franchisee's employees.
f.	Termination by franchisor upon event of default	11.01	We may terminate your Franchise Agreement after written notice of a curable default if you fail to cure within the time permitted or such longer period as required by law, or immediately upon written notice of an incurable default unless a longer notice period is required by law.

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
<u>f.</u>	<u>Termination by franchisor upon event of default</u>	<u>11.01</u>	<u>We may terminate your Franchise Agreement after written notice of a curable default if you fail to cure within the time permitted or such longer period as required by law, or immediately upon written notice of an incurable default unless a longer notice period is required by law.</u>

g.	“Cause” defined - curable defaults	11.01	<p>A curable default consists of (1) if you fail to pay when due any amount owing to us, our Affiliates or any supplier to the Franchised Business, whether under the Franchise Agreement or otherwise, and such default continues for a period of fifteen (15) days; (2) if you fail to observe or perform any of your other obligations in the Franchise Agreement or in any other agreement or undertaking entered into or made in favor of us or any of our Affiliates, and such default is not remedied within fifteen (15) days of receipt of notice from us; (3) if Franchisee fails to furnish reports, financial statements, tax returns, or any other documentation required by this Agreement at the time specified therefore and such breach is not remedied within fifteen (15) days of receipt of notice from Franchisor to remedy such breach; (4) if you fail to observe or perform any of the rules, bulletins, directives or other notices set forth in the Manual and any such failure to observe or perform is not remedied within fifteen (15) days of receipt of notice from us; (5) you operate the Franchised Business in a manner that presents a health hazard to its Program Customers, employees or to the public and such manner of operation continues uncorrected after Notice from Franchisor; (6) you engage in any conduct or practice which, in our sole discretion, reflects unfavorably upon or is detrimental to the Marks, to the good name, goodwill or reputation of us or to the business reputation or goodwill of System franchisees or the System generally and Franchisee fails to cease such conduct or practice within five (5) days from receipt of notice thereof from us;. These cure or notice periods may be extended by applicable law in your state.</p>
h.	“Cause” defined noncurable defaults	11.01	<p>An incurable default will occur if (1) you fail in any year during the Term to meet the Sales Target; (2) you lose the right to possession of the Premises or the Lease is terminated as a result of your default of Franchisee; (3) the Guarantor designated as Owner-Operator of the Franchised Business fails to satisfactorily complete all required training for the operation of the Franchised Business; (4) you or any Guarantor purports to transfer any property without fully complying with the requirements of Section 10.02 of the Franchise Agreement; (5) you maintain false books or records, including tax records; (6) you have received from us during any consecutive twelve (12) month period, three (3) or more notices relating</p>

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
			<p><u>Guarantor purports to transfer any property without fully complying with the requirements of Section 10.02 of the Franchise Agreement; (5) you maintain false books or records, including tax records; (6) you have received from us during any consecutive twelve (12) month period, three (3) or more notices relating to a default hereunder (whether such notices relate to the same or different defaults and whether or not such defaults have been remedied by you); (7) you or any Guarantors (i) request the appointment of a receiver or have a receiver appointed for the Franchised Business, you or any of your or their assets; (ii) become insolvent or make a general assignment for the benefit of your or their creditors; (iii) commit an act of bankruptcy, become insolvent or make a proposal to its creditors or commence a case for relief or have an order for relief entered for it or them under the within the meaning of the United States Bankruptcy Code (or any successor legislation thereto); (iv) if a petition in bankruptcy is filed against you and is not discharged or disputed bona fide within three (3) days of such filing or (v) if a receiver or other custodian (permanent or temporary) of the Franchised Business or any part thereof is appointed by private instrument or by court order; or (vi) if an execution or similar process is levied against any of your assets, or if distress or other analogous process is made against any of your assets or any steps are taken to wind up or dissolve your entity; (8) you cease or threaten to cease or take any steps to cease the operation of the Franchised Business; or (9) you close or abandon the Franchised Business for a period of three (3) or more days in any seven (7) day period except for any remodeling or vacation we approve in advance; or (10) you or any of the Guarantors suffer a conviction for, or plead guilty or nolo contendere to a crime involving moral turpitude or any other offense reasonably likely, in the sole discretion of Franchisor, reflects unfavorably upon or is detrimental to the Marks, to the good name, goodwill or reputation of Franchisor or to the business reputation or goodwill of its franchisees or the System generally in Franchisor's opinion; or (11) we discover a material inaccuracy in any of your representations in the Franchise Agreement or in any application submitted to us to become a franchisee; or</u></p>

			<p>(12) you commits a breach of the Franchise Agreement which, by its nature, cannot be cured or with regard to which you notify us that you do not intend to cure. Or</p> <p>(13) you fails to (i) gain our approval of the proposed Premises, (ii) sign a lease or a purchase agreement we approve as to form for the accepted Premises within the time frame specified in the Franchise Agreement, or (iii) complete and open the Franchised Business within timeframe specified in the Franchise</p>
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	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
			<u>you fails to (i) gain our acceptance of the proposed Premises, (ii) sign a lease or a purchase agreement we approve as to form for the accepted Premises within the time frame specified in the Franchise Agreement, or (iii) complete and open the Franchised Business within timeframe specified in the Franchise Agreement.</u>
i.	Franchisee's obligations on termination/non-renewal	11.04	You must (1) abide by the non-competition provisions of the Franchise Agreement; (2) promptly pay us and our affiliates all amounts owed; (3) not use or adopt the Franchised Business system or any of our proprietary marks or intellectual property; (4) remove from the Program Meals Business all signs, emblems and displays identifying it as associated with the Franchised Business system; (5) cease to use and return to us the Operations Manual and other confidential materials delivered to you; (6) cease to hold yourself out in any way as our franchisee or to do anything which would indicate any relationship between you and us; (7) change the exterior and interior design and décor of the Franchised Service Location and make all changes in signs, buildings and structures which we direct to distinguish the building from its former appearance as a Franchised Business; and (8) transfer to us all telephone listings, domain names, and web pages for your Franchised Business or which contain, use or display any of our proprietary marks or intellectual property. You must identify and deliver to us all customer records and data, and you may not tamper with, remove, download, transfer or use for any purpose any customer data from any of our proprietary or designated recordkeeping system.
j.	Assignment of contract by franchisor	10.01	We may transfer, assign or pledge our interest in the Franchise Agreement, in whole or in part, to any person.

	<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
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w.	Choice of law	16.03	Subject to applicable state law, Delaware and applicable federal law will apply to your Franchise Agreement and all rights and duties under the Franchise Agreement (subject to applicable state law). See the Disclosure Document Addenda for Certain States at Exhibit B .
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ITEM 18

PUBLIC FIGURES

We do not use any public figure 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.

We have no Franchised Businesses operating in the United States as of ~~February 20, 2024~~ [April 1, 2025](#). We do have an affiliate operated outlet in Massachusetts (the “Affiliate Outlet”) that has been operating since August 2018. The Heart to Home ~~franchises~~ [franchise offered](#) in Canada ~~are~~ [is](#) substantially similar to the ~~franchises~~ [franchise](#) offered in this Franchise Disclosure Document. Our Canadian Heart to Home businesses have been operating since November 2009. The market approach and franchise program of our Canadian affiliate are similar to our approach and program. The financial performance representation in this disclosure document reports the historic performance of the Canadian franchises, according to the Gross Sales reports submitted by franchisees, and the Affiliate Outlet in Massachusetts for the same time periods. The information is unaudited.

For the ~~52-week period ending March 10, 2024~~ [time frames shown in the tables below](#), there was one Heart to Home operation in the United States ~~and (the Affiliate Outlet) and there were~~ [20](#) Heart to Home operations in Canada, ~~which include~~ [including](#) ~~2 company operations~~ [outlets](#) and ~~18 franchises,~~ [reported Gross Sales averaging \\$728,477, with a median of \\$739,081. Of these 20 outlets, 10 outlets or 50% achieved Gross Sales at or above the average. The range of Gross Sales was from \\$273,437 to \\$1,154,029. All outlets were open for all of the 52-week period ended March 10, 2024.](#)

~~The 18 franchised outlets, in Canada reported Gross Sales for the 52-week period ended March 10, 2024, averaging \$737,152, with a median of \$763,830. Of these 18 outlets, 10 outlets or 55% achieved Gross Sales at or above average. The range of Gross Sales was from \$273,437 to \$1,154,029.~~

~~These Canadian~~ [These](#) outlets originally reported Gross Sales in Canadian Dollars. These results were converted to US Dollars at the average exchange rate reported for ~~2023~~ [2024](#) of ~~0.74090~~ [0.6997](#) USD for each \$1 CAD.

Table 1

Financial Performance of 20 Canadian Outlets

(US Dollars)

	<u>April 1, 2024 – March 30, 2025</u>	<u>April 3, 2023 – March 31, 2024</u>	<u>April 4, 2022 – April 2, 2023</u>
<u>Average Gross Sales</u>	<u>\$770,033.52</u>	<u>\$695,921.11</u>	<u>\$606,268.10</u>
<u>Median Gross Sales</u>	<u>\$714,937.99</u>	<u>\$702,534.17</u>	<u>\$630,120.58</u>
<u>Lowest Gross Sales</u>	<u>\$371,811.02</u>	<u>\$265,375.74</u>	<u>\$144,739.33</u>
<u>Highest Gross Sales</u>	<u>\$1,293,019.81</u>	<u>\$1,104,204.09</u>	<u>\$1,030,039.91</u>
<u>Number/Percentage of Outlets Reporting Average or Higher Gross Sales</u>	<u>8/40%</u>	<u>10/50%</u>	<u>12/60%</u>

~~The Heart to Home operation~~ Financial Performance of Affiliate Outlet in
Massachusetts ~~operated by an Affiliate reported Gross Sales of \$1,527,368~~
~~for the 52-week period ended March 10, 2024.~~

	<u>April 1, 2024 – March 30, 2025</u>	<u>April 3, 2023 – March 31, 2024</u>	<u>April 4, 2022 – April 2, 2023</u>
<u>Gross Sales</u>	<u>\$4,039,012</u>	<u>\$1,514,488</u>	<u>\$1,543,825</u>

~~This affiliate operation~~ The Affiliate Outlet covers a much larger ~~geography~~ Target Area and target population of persons aged 70 and up than a Franchised Business would cover and may not be representative of Gross Sales for a Franchised Business with a smaller Territory. The Affiliate Outlet’s target population is approximately four times the target population of a more typical Target Area for a franchisee. Its Target Area is a densely populated urban and suburban metropolitan area spanning two states.

Gross Sales described above are determined according to the definition in the Franchise Agreement you will sign. The Canadian operations are mostly located in metropolitan areas with concentrations of our target demographic of persons over 70 years of age living at home. We assume that customers are located in sufficiently close geographic proximity to market and operate a delivery-oriented Franchised Business from a single Franchised Location efficiently. Larger geographic territories are less efficient for marketing and delivery expense purposes.

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

Written substantiation for this financial performance representation will be made available to a prospective franchisee upon reasonable request.

Other than the preceding financial performance representations, we do not authorize our employees or representatives to make any other financial performance either orally or in writing. If you are purchasing an existing Program Meals Business, however, we may provide you with the actual records of that Program Meals Business. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Christopher Webb at 289 Elm Street, Suite 102, Marlborough, Massachusetts 01752, the Federal Trade Commission, and the appropriate state regulatory agencies. A written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary for Years ~~2021-2023~~2022-2024

Outlet Type	Year	Program Meals Businesses at the Start of the Year	Program Meals Businesses at the End of the Year	Net Change
Franchisee	2021	0	0	0
	2022	0 0	0	0 0
	2023		0 1	<u>+1</u>
	<u>2024</u>			
Company-Owned	2021	1	+0	0
	2022	1 1	+0	0 0
	2023		+0	
	<u>2024</u>			
Total	2021	1	+0	0
	2022	1 1	+0	0 0
	2023		+2	<u>+1</u>
	<u>2024</u>			

Table No. 2
Transfers of Program Meals Businesses from Franchisees to New Owners
(other than the Franchisor)
For Years ~~2021-2023~~2022-2024

Column 1 State	Column 2 Year	Column 3 Number of Transfers
<u>None</u>	<u>2022</u>	<u>0</u>
	<u>2023</u>	<u>0 0</u>
	<u>2024</u>	

TOTAL	2021	0
	2022	0 0
	2023	
	2024	

Table No. 3
Status of Franchises
For Years ~~2021-2023~~2022-2024

Col. 1 State	Col. 2 Year	Col. 3 Franchises at Start of Year	Col. 4 Franchises Opened	Col. 5 Terminations	Col. 6 Non-Renewals	Col. 7 Reacquired by Franchisor	Col. 8 Ceased Operations-Other Reasons	Col. 9 Franchises at End of the Year
TOTAL	2021	0	0	0	0	0	0	0
	2022	0 0	0	0 0	0 0	0 0	0 0	0
	2023		0 ₁					0 ₁
	2024							

Table No. 4
Status of Company-Owned Program Meals Businesses
For Years ~~2021-2023~~2022-2024

Col. 1 State	Col. 2 Year	Col. 3 Program Meals Businesses at Start of the Year	Col. 4 Program Meals Businesses Opened	Col. 5 Program Meals Businesses Reacquired from Franchisee	Col. 6 Program Meals Businesses Closed	Col. 7 Program Meals Businesses Sold to Franchisee	Col. 8 Program Meals Businesses at End of the Year
TOTAL	2021	1	0	0	0	0	1
	2022	1 1	0 0	0 0	0 0	0 0	1 1
	2023						
	2024						

Table No. 5
Projected Openings as of December 31, ~~2023~~2024

Column 1 State	Column 2 Franchise Agreements Signed But Franchised Business Not Opened	Column 3 Projected New Franchised Business in the Next Fiscal Year	Column 4 Projected New Company-Owned Program Meals Business Locations in the Next Fiscal Year
Massachusetts	0	1	0
TOTAL	0	1	0

~~A list of franchisees of the Franchised Business located in Canada is attached in Exhibit F. We had no franchisees in the United States as of the Effective Date or the date of the Amendment of this Disclosure Document.~~

During the year preceding the date of this Disclosure Document, no Franchise Agreements were terminated. We did not cancel or fail to renew any Franchised Business, and no such Franchised Business ceased to do business voluntarily. No franchisee has failed to communicate with us during the 10 weeks prior to the date of this Disclosure Document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the System.

Confidentiality Clauses

As a standard practice, when we enter into settlement agreements with a franchisee or former franchisee, we will require them to agree to maintain as confidential all information that the franchisee or former franchisee has about us. We have not entered into any such agreements in the last three fiscal years. In some instances, current and former franchisees may sign provisions restricting their ability to speak openly about their experience with the System. You may wish to speak with current and former franchisees but be aware that not all of these franchisees will be able to communicate with you.

Franchisor Sponsored and Independent Trademark Specific Franchisee Organizations

We have not created, sponsored or endorsed any trademark-specific franchisee organization, and no independent franchisee organization is incorporated or otherwise organized under state law and asks us to be included in our Disclosure Document.

ITEM 21

FINANCIAL STATEMENTS

We have included our audited financial statements for the periods ended December 31, 2024, 2023, 2022, ~~and 2021~~, as Exhibit C of this Disclosure Document. Our fiscal year end is December 31.

ITEM 22

CONTRACTS

We have included copies of our Franchise Agreement, including forms of Lease Rider, Automated Clearing House Payment, Guaranty, Management Confidentiality and Non-Competition Agreement, and Franchise Agreement Addenda Required by Certain States as Exhibit A to this Disclosure Document. Our forms of Closing Acknowledgment and General Release are included as Exhibits G and H. The Closing Acknowledgment is used for all new franchisees. The General Release is used for all transfers and renewals. The Pre-Sale Confidentiality Agreement is included as Exhibit I and is used if you would like to review any of our confidential materials before you sign a Franchise Agreement.

ITEM 23

RECEIPT

Exhibit A
Franchise Agreement

4859-9210-3269v17



FRANCHISE AGREEMENT among

HTHM FRANCHISING, LLC

- and –

[name(s)]
(the “Franchisee”)

- and –

[name(s)]

Franchisor's approval as outlined in the Manual. Franchisee grants to Franchisor a non-exclusive, perpetual, royalty-free worldwide license of all recipes, concepts, instructions, ideas, inventions, techniques of cooking, preparation, display or service, or other know-how, advertising materials and trade secrets created by or for Franchisee for use in, by or for the Franchised Business, and Franchisee acknowledges that Franchisor and its Affiliates may incorporate, modify, supplement, sublicense or otherwise commercialize such information as part of the System or in any other manner. At Franchisor's request and expense, Franchisor may require Franchisee to execute and deliver an assignment of the ownership rights to any such intellectual property or such other writing as it may request to transfer ownership to Franchisor, or pursue registration or other legal protection for such intellectual property.

ARTICLE III DEVELOPING AND OPENING THE FRANCHISED BUSINESS

Section 3.01 Location of Franchised Business.

(a) Development. Except as specified in this Agreement and the Manual, Franchisor is not obligated to provide any assistance in locating a site for the Premises, negotiating the Lease, conforming the Premises to local codes and ordinances, obtaining permits, constructing, remodeling or decorating, hiring and training employees (except for the training Franchisor provides described in Training below), or providing for necessary equipment, signs, fixtures, opening inventory and supplies. Franchisee, and not an Affiliate, must own or lease each Premises used in the operation of the Franchised Business. Franchisee must be able to receive Product deliveries from a tractor trailer at the Premises and to park and load the Delivery Vehicle conveniently. The Premises are typically located in light industrial warehouse space.

(ab) Location Selection; Premises.

(i) If Franchisee has not selected a site for the Premises that Franchisor accepted when the parties executed this Agreement and identified in Schedule B, Franchisor will provide Franchisee with advice and consultation in the selection of sites for Premises (s) through the use of the forms, criteria and materials available to franchisees.

(ii) Subject to compliance with all applicable municipal laws, Franchisee shall have the right to operate the Franchised Business from the home of a Guarantor provided that Franchisee purchases or leases, and maintains throughout the term of this Agreement, one (1) or more commercial-grade walk-in freezers approved by Franchisor for the storage of Program Meals.

(iii) Franchisor may conduct any investigation of the proposed site it deems appropriate to evaluate the sit to accept or reject the site. Franchisee must submit the site proposal within 15 days after the Effective Date. Franchisor will review the information Franchisee submits for each proposed site for the Premises, conduct any investigation of the proposed site it deems appropriate to evaluate the site, and accept or reject the site within 30 days after the submission of all initial and supplemental information requested regarding a proposed site. If

Franchisor accepts the site (the “Acceptance Date”), it will provide notice of any remaining conditions to that acceptance. If Franchisor rejects the site, it will provide the reasons for the rejection. Franchisee may submit the site information before executing this Agreement, in which case the Acceptance Date is the Effective Date of this Agreement. The Acceptance Date must occur no later than 45 days after the Effective Date of the Franchise Agreement.

(iv) Franchisee shall enter into a binding agreement to lease or buy such Premises (the “Lease”) after the Acceptance Date, which Lease shall be in form and terms acceptable to Franchisor. Franchisor will accept or reject the proposed form of Lease, or if Franchisee intends to purchase the Premises, the purchase agreement, within thirty (30) days after submission by Franchisee. Franchisee must deliver a signed Lease or purchase contract for an approved Premises site within 10 days after the Acceptance Date. The Lease shall contain provisions substantially similar to those set out in Schedule C attached hereto pursuant to which Franchisor is granted an option to take an assignment of the Lease in certain circumstances. Franchisor shall be made a party to the Lease only for the benefit of taking advantage of the provisions set out in Schedule C. Franchisee agrees not to amend or terminate the Lease without Franchisor’s prior written consent. Any attempt to terminate, alter or amend the Lease shall be null and void. Concurrently with execution of the Lease or confirmation that the Franchised Business will be operated from a home office, Parts 2 and 3 of Schedule B shall be deemed to be completed. The date Franchisee signs the approved lease or purchase agreement is the “Commitment Date” and Franchisee must provide Franchisor with a copy of the signed document within five (5) business days after the Commitment Date.

(v) Upon Franchisor’s acceptance of the selected site of the Premises, whether identified and accepted at the signing of this Agreement or afterwards, Franchisee acknowledges that it selected and Franchisor accepted the Premises, and that Franchisor’s acceptance of Franchisee’s selection does not guarantee or warrant that the Premises will be successful or that such selection represents the best site for the Franchised Business from among those available to Franchisee. Franchisee acknowledges that Franchisor may have provided it with advice and consultation in the selection of sites for the Franchised Business through the use of the forms, criteria and materials that Franchisor makes available to franchisees and prospective franchisees. Franchisor may have delivered its written review and evaluation of any proposed sites the Franchisee proposed. Franchisee has had the opportunity to obtain independent advice on the site for the Franchised Business and is not relying on Franchisor’s review and evaluation.

(b)(c) Plans. Franchisor will provide Franchisee with its standards and specifications and layouts for the interior build-out, mechanical and electrical systems, Equipment and Furnishings, including the standard for the commercial freezer and Delivery Vehicle, décor and signs for a prototype Franchised Business that it makes available to franchisees. Franchisor will not provide these items directly for the Premises and does not provide assistance with the delivery and installation of these items. Franchisor will review the site plan and final plans and specifications for conformity to System. Franchisor will not unreasonably withhold or delay its approval, which is intended only to test compliance with System, and not to detect errors or omissions in the work of the architects, engineers, contractors or the like. Franchisor’s review does not cover technical, architectural or engineering factors, or compliance with federal, state or local laws, regulations or code requirements. Franchisor will not be liable to Franchisee’s lenders,

contractors, employees, Program Customers, others or Franchisee on account of its review or approval of Franchisee's plans, drawings or specifications, or its inspection of the Franchised Business before, during or after renovation or construction.

(ed) Construction of Franchised Business. Franchisee will complete the construction or remodeling of the Franchised Business within the time specified on Schedule B. Franchisee will construct or remodel the Franchised Business in strict conformity with the site layout, plans and specifications Franchisor approves. If Franchisor determines (before the Opening Date) that Franchisee has not constructed or remodeled the Franchised Business in strict conformity with the site layout, plans and specifications it approved, within the time set forth on Schedule B, Franchisor may terminate this Agreement for cause, or obtain an injunction from a court of competent jurisdiction against the opening of the Franchised Business and to compel Franchisee to specifically perform its obligation to construct or remodel the Franchised Business in strict conformity with the approved site layout, plans and specifications, in addition to any other remedies available to Franchisor at law or in equity, without any obligation to furnish any bond or security. Franchisee will bear the expense of all engineering and architectural services incurred for its final construction plans and for obtaining approvals by the appropriate Regulatory Authorities required under applicable law to construct, remodel and occupy the Franchised Business. Franchisee shall secure for Franchisor and its agents the right to inspect the Premises, construction site and related materials stored off site at any reasonable time. Franchisee shall correct, upon Franchisor's request and at Franchisee's expense, any deviation from the approved site plans and specifications.

(ee) Relocation. Franchisee may operate the Franchised Business only at the Premises and may not relocate except with Franchisor's prior written consent. If, prior to the termination or expiration of this Agreement, the Lease for the Premises expires or terminates through no fault of Franchisee or if the Premises are destroyed or condemned or otherwise rendered unusable or if, in the judgment of Franchisor, there is a change in the character of the location of the Premises sufficiently detrimental to its business potential to warrant the relocation of the Franchised Business, Franchisor will grant its consent to the relocation of the Franchised Business to a location within the Territory acceptable to Franchisor, acting reasonably. Any such relocation shall be at Franchisee's sole cost and expense and Franchisor shall have the right to charge Franchisee for its reasonable costs incurred in connection with such relocation.

Section 3.02 Use of Premises. Except in the case of a home office, Franchisee shall use the Premises for the operation of the Franchised Business only and for no other purpose without the prior written consent of Franchisor. Franchisee will not display any other sign or advertising at the Franchised Business, whether on the Premises or the Delivery Vehicle, without Franchisor's consent other than as expressly permitted under the Manual.

Section 3.03 Development of Premises. Franchisee shall develop and equip the Premises, at its sole cost and expense, in accordance with Franchisor's standard plans and specifications for a Heart to Home Meals Business and in accordance with all laws and regulations in effect in the jurisdiction in which the Franchised Business is located. Franchisee will install in and about the Franchised Business Equipment and Furnishings, fixtures, and other personal property that strictly conform to System Standards and specifications Franchisor specifies in the Manual or otherwise.

Heart to Home Meals	5158658	Principal	March 14, 2017
Words Plus Design	5158662	Principal	March 14, 2017

SCHEDULE E

AUTOMATED CLEARING HOUSE PAYMENT AUTHORIZATION
AUTHORIZATION AGREEMENT
FOR PRE-AUTHORIZED PAYMENTS

(DEBITS)

HTHM Franchising, LLC
COMPANY NAME

COMPANY ID NUMBER

I (we) authorize HTHM Franchising, LLC (the “Company”) and _____ (the “Bank”) to electronically credit and/or debit my (our): ___ checking ___ savings account specified below. Such credits and/or debits shall take place on a [RECURRING TIME PERIOD] basis with a minimum amount of \$[___] and a maximum amount of \$[___] per transaction. Such minimum and maximum amounts may be amended at any time by any written notice from me (us) to Company.

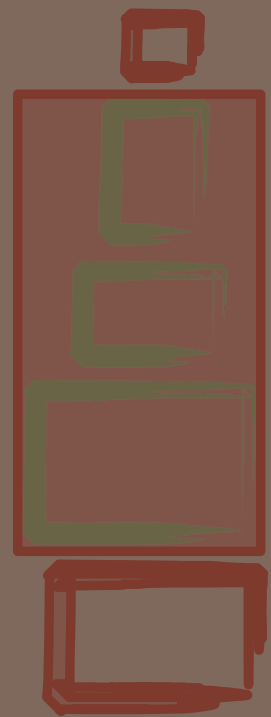
CUSTOMER’S BANK NAME

BRANCH LOCATION

~~4859-9210-3269v17~~[4902-3187-7939v3](#)

Rödl & Partner

Rödl & Partner



~~4859-9210-3269v17~~[4902-3187-7939v3](#)

HTHM FRANCHISING LLC AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

AS OF DECEMBER 31, ~~2023~~[2024](#) AND ~~2022~~[2023](#)

TOGETHER WITH

Rödl & Partner

Rödl & Partner

11

INDEPENDENT AUDITORS' REPORT

HTHM FRANCHISING LLC AND SUBSIDIARY

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DECEMBER 31, ~~2023~~2024 AND ~~2022~~2023

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INDEPENDENT AUDITORS' REPORT

To the Member and Management of
HTHM Franchising LLC and Subsidiary:

Opinion

We have audited the consolidated financial statements of HTHM Franchising LLC and Subsidiary (the "Company"), which comprise the consolidated balance sheets as of December 31, ~~2023~~2024 and ~~2022~~2023, and the related consolidated statements of operations and changes in member's capital, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, ~~2023~~2024 and ~~2022~~2023, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Related Party Transactions

As mentioned in the notes to the consolidated financial statements, the Company has material transactions with related parties. Our opinion on the consolidated financial statements is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Rödl & Partner

RÖDL & PARTNER IN THE UNITED STATES OF AMERICA

Atlanta, Birmingham, Charlotte, Chicago, Cincinnati, [Denver](#), Detroit, Greenville, Houston, New York

RÖDL & PARTNER INTERNATIONAL

Austria, Azerbaijan, Belarus, Brazil, Bulgaria, People's Republic of China, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Hong Kong S.A.R., Hungary, India, Indonesia, Italy, Kazakhstan, Kenya, Latvia, Lithuania, Malaysia, Mexico, Myanmar, Norway, Philippines, Poland, Portugal, Romania, Saudi Arabia, Serbia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Turkey, Ukraine, United Arab Emirates, United Kingdom, United States of America, Uzbekistan, Vietnam

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not absolute assurance and, therefore, it is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing our audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout our audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

RÖDL LANGFORD DE KOCK LLP

Birmingham, Alabama,

–April ~~323~~, ~~2024~~.~~2025~~.

HTHM FRANCHISING LLC AND SUBSIDIARY

CURRENT ASSETS

Cash and cash equivalents
 Due from related party
 Inventories, net
 Total current assets

CURRENT LIABILITIES

Accounts payable—trade
 Due to related parties

CONSOLIDATED BALANCE SHEETS
 DECEMBER 31, ~~2023~~2024 AND ~~2022~~2023
 (in U.S. Dollars)

~~2023~~2024
~~2022~~2023

<u>ASSETS</u>	
<u>CURRENT ASSETS</u>	
Cash and cash equivalents	\$ 20,262
Due from related party	1,071,243
Inventories, net	454,833
Prepaid expenses and other current assets	3,742
Total current assets	\$ 1,550,080
<u>LIABILITIES AND MEMBER'S CAPITAL</u>	
<u>CURRENT LIABILITIES</u>	
Accounts payable - trade	\$ 29,823
Due to related parties	525,870
Accrued expenses and other current liabilities	-

~~ASSETS~~

	\$ 128,980	\$ 59,002
	433,072	
	333,235	360,840
	895,287	407,266
	<u>895,287</u>	<u>827,108</u>
LIABILITIES AND MEMBER'S CAPITAL		
	\$ 47,628	\$ 16,289
	463,853	
		330,242

The accompanying notes are an integral part of these consolidated financial statements.

		Accrued expenses and other current liabilities <u>389</u> <u>1</u>
		<u>3,091</u>
		<hr/>
Total current liabilities		555,702 511,870
		<hr/>
		<u>383,417</u>
MEMBER'S CAPITAL		<u>383,417</u>
467,486 <u>994,378</u>		\$ 895,287 <u>\$ 827,108</u>
		<hr/>
		<u>\$ 1,550,080</u> <u>\$ 915,287</u>

HTHM FRANCHISING LLC AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN MEMBER'S
CAPITAL
FOR THE YEARS ENDED DECEMBER 31, ~~2023~~2024 AND ~~2022~~2023
(in U.S. Dollars)

		<u>610,961</u>
		<u>(84,069)</u>
	2023	<u>383,417</u>
	2022	<u>467,486</u>
		<u>\$ 994,378</u>
		<u>\$ 383,417</u>
<hr/>		
SALES \$ 846,456 \$ 880,332	<u>SALES</u>	
COST OF GOODS SOLD 681,327 481,041	<u>681,327</u>	
GROSS PROFIT 165,129 399,291	<u>165,129</u>	
OPERATING EXPENSES 249,198 170,293	<u>249,198</u>	
NET <u>INCOME</u> (LOSS) INCOME (84,069) 228,998 <u>FROM OPERATIONS</u>	<u>(84,069)</u>	
<u>OTHER INCOME</u>		
<u>NET INCOME (LOSS)</u>		
MEMBER'S CAPITAL - BEGINNING 467,486 238,488	<u>467,486</u>	
MEMBER'S CAPITAL - END		
	<u>\$ 383,417</u>	<u>\$ 467,486</u>
	<u>2024</u>	<u>2023</u>
<hr/>		
<u>\$ 2,038,171</u>	<u>\$ 846,456</u>	
<u>1,258,499</u>	<u>681,327</u>	
<hr/>		
<u>779,672</u>	<u>165,129</u>	
<u>171,596</u>	<u>249,198</u>	
<u>608,076</u>	<u>(84,069)</u>	
<u>2,885</u>	<u>-</u>	

The accompanying notes are an integral part of these consolidated financial statements.

HTHM FRANCHISING LLC AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, ~~2023~~2024 AND ~~2022~~2023
(in U.S. Dollars)

	2023 2024	2022 2023
CASH FLOWS FROM OPERATING ACTIVITIES		
<u>Net income (loss)</u>	\$ 610,961	\$ (84,069)
<u>Adjustments to reconcile net income (loss) to net cash from operating activities:</u>		
Net (loss) income	69,764	\$ 228,998
<u>Inventory obsolescence reserve</u>		(84,069)
(Increase) decrease in operating assets		
Due from related party	(638,171)	(72,232)
<u>Inventories, net</u>	(191,362)	74,031
Inventories, net <u>Prepaid expenses and other current assets</u>	(3,742)	7
Increase (decrease) in operating liabilities		
Accounts payable - trade	(17,805)	4,031
Due to related parties	62,026	1,339
Accrued expenses and other current liabilities	(389)	133,611
		(426,889)
		(12,702)
<u>Net cash flows from operating activities</u>	(108,718)	69,978
<u>CASH AND CASH EQUIVALENTS - BEGINNING</u>	128,980	59,002
<u>CASH AND CASH EQUIVALENTS - END</u>	\$ 20,262	\$ 128,980
Net cash flows from operating activities	69,978	41,793
CASH AND CASH EQUIVALENTS - BEGINNING	59,002	17,209
CASH AND CASH EQUIVALENTS - END	\$ 128,980	\$ 50,002

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

Cash paid during the year for:

Interest	\$ -	\$ -
Income taxes	\$ -	\$ -

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, ~~2023~~2024 AND ~~2022~~2023
(in U.S. Dollars)

1. ORGANIZATION AND INDUSTRY

The accompanying notes are an integral part of these consolidated financial statements.

HTHM FRANCHISING LLC AND SUBSIDIARY

HTHM Franchising LLC was formed in Delaware during August 2018, and is a wholly owned subsidiary of US Food Holdings LLC. HTHM Franchising LLC owns 100% of the membership interests of HTHM Supply LLC. HTHM Franchising LLC is established to issue franchise agreements and receive franchise fees, including royalties. It is currently in the preparatory phase to establish its initial franchisees. HTHM Supply LLC exists to purchase inventories from a related party and to sell inventories to a related party and eventually to franchisees. The entities primarily operate from Marlborough, Massachusetts. HTHM Franchising LLC and HTHM Supply LLC are hereafter referred to together as the "Company." The Company's principal market is the United States of America.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash equivalents are defined as investments having a maturity, when purchased, of three months or less. The Company maintains bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Inventories

Inventories are stated at the lower of cost and net realizable value, with cost determined by the first-in, first-out method. Inventories consist entirely of finished goods purchased for resale.

Income and deferred taxes

The Company is a member of a group (the "Group") that files a consolidated income tax return. The Company is a disregarded entity for federal and state income tax purposes, and therefore, the results of the Company's operations are allocated to the member for inclusion in its respective income tax returns. Accordingly, no provision or benefit for income taxes has been recorded in the accompanying consolidated financial statements.

The Company adheres to the provisions of FASB ASC 740-10-25, which requires the Company to evaluate uncertain tax positions. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the Company's largest benefit that has a greater than 50% likelihood of being realized upon settlement. An income tax expense, including associated interest and penalties, and tax liability, is recorded should the Company take a tax position that has a lesser than 50% likelihood of being realized upon settlement. There were no such tax liabilities recorded as of December 31, ~~2023~~2024 and ~~2022~~2023.

The Group files income tax returns in the United States of America federal jurisdiction and in various state jurisdictions. Generally, the Group's federal income tax returns are subject to examination by the Internal Revenue Service three years from the filing date. Generally, the state jurisdictions in which the Group files income tax returns are subject to examination for a period from three to seven years after the returns are filed.

Revenue recognition

~~The Company adheres to FASB Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606). Revenue is measured based on consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product to a customer in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products.~~

~~For performance obligations related to frozen food products, control transfers to the customer at a point in time. The Company's standard shipping terms are FOB Origin, and the Company transfers control and~~

HTHM FRANCHISING LLC AND SUBSIDIARY

~~records revenue for product upon shipment. There are no standard payment terms and conditions or significant financing components as all sales are to a related party. Further, there is no associated variable consideration, such as rebates, allowances, and returns that would generally decrease the transaction price which reduces revenue.~~

Use of estimates

~~The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.~~

Shipping and handlingAdvertising cost

~~Shipping and handling costs associated with items delivered to customers~~ Advertising costs are expensed as incurred and are recorded in operating expenses in the accompanying consolidated statements of operations and changes in member's capital.

Foreign currency transactions

~~The U.S. dollar is the functional currency of the Company. Transactions denominated in foreign currency are translated using the prevailing exchange rate at the date of the transaction. A gain or loss on foreign currency translation is recorded based on the change in the exchange rate between the date of the transaction and the settlement date. Balances denominated in foreign currencies and still outstanding at the balance sheet date are translated using the prevailing rate at the balance sheet date.~~

Concentration of risk and significant customers and vendors

Sales of inventories	\$ 846,456	\$ 880,332
---------------------------------	-----------------------	-----------------------

HTHM FRANCHISING LLC AND SUBSIDIARY

Purchases of inventories	679,828	861,069
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For financial disclosure purposes, the Company defines significant customers and vendors as those equaling or exceeding 10 percent of sales or purchases for any year, and/or 10 percent of year-end trade receivables or payables. Substantially all sales and receivables are with one related party. Substantially all purchases and payables are with two related parties. See Note 3.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of HTHM Franchising LLC and its wholly owned subsidiary HTHM Supply LLC. Upon consolidation, all material intercompany balances and transactions have been eliminated.

3. RELATED PARTY TRANSACTIONS

Related parties are defined as entities under common ownership of apetito AG, the ultimate parent company.

Due from related party consists of receivables due from HTHM Operations LLC totaling \$433,072 and \$360,840 as of December 31, 2023 and 2022, respectively.

Due to related parties consists of the following at December 31:

	2023	2022
HTHM Operations LLC \$	420,802	\$ 320,802
apetito Canada Limited	43,051	9,440
	<u>\$ 463,853</u>	<u>\$ 330,242</u>

Transactions with related parties consists of the following for For the years ended December 31: 31, 2024 and 2023, advertising costs were \$1,249 and \$278, respectively.

	2023	2022
--	------	------

4. COMMITMENTS AND CONTINGENCIES

The Company may be subject to various claims and legal proceedings covering matters that arise in the course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Company.

5. SUBSEQUENT EVENTS

The date to which events occurring after December 31, 2023, the date of the most recent consolidated balance sheet, have been evaluated for possible adjustment to the consolidated financial statements or additional disclosures is April 3, 2024, which is the date the consolidated financial statements were available to be issued.

HTHM FRANCHISING LLC AND SUBSIDIARY

~~CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022, 2021 AND 2020
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT~~

HTHM FRANCHISING LLC AND SUBSIDIARY

~~HTHM FRANCHISING LLC AND SUBSIDIARY~~
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~~DECEMBER 31, 2022, 2021 AND 2020~~

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INDEPENDENT AUDITORS' REPORT

To the Member and Management of
HTHM Franchising LLC and Subsidiary:

Opinion

We have audited the consolidated financial statements of HTHM Franchising LLC and Subsidiary (the "Company"), which comprise the consolidated balance sheets as of December 31, 2022, 2021 and 2020, and the related consolidated statements of operations and changes in member's capital, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, 2021 and 2020, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter—Related Party Transactions

As mentioned in the notes to the consolidated financial statements, the Company has material transactions with related parties. Our opinion on the consolidated financial statements is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

HTHM FRANCHISING LLC AND SUBSIDIARY

~~RÖDL & PARTNER IN THE UNITED STATES OF AMERICA
Atlanta, Birmingham, Charlotte, Chicago, Cincinnati, Detroit, Greenville, Houston, New York~~

~~RÖDL & PARTNER INTERNATIONAL
Austria, Azerbaijan, Belarus, Brazil, Bulgaria, People's Republic of China, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France,
Georgia, Germany, Hong Kong S.A.R., Hungary, India, Indonesia, Italy, Kazakhstan, Kenya, Latvia, Lithuania, Malaysia, Mexico, Myanmar,
Norway, Philippines, Poland, Portugal, Romania, Saudi Arabia, Serbia, Singapore, Slovakia, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Turkey, Ukraine, United Arab Emirates, United
Kingdom, United States of America, Uzbekistan, Vietnam~~

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

~~Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not absolute assurance and, therefore, it is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.~~

~~In performing our audits in accordance with GAAS, we:~~

- ~~• Exercise professional judgment and maintain professional skepticism throughout our audits.~~
- ~~• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.~~
- ~~• Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.~~
- ~~• Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.~~
- ~~• Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.~~

~~We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.~~

~~Rödl LANGFORD DE KOCK LLP~~

~~Birmingham, Alabama,
February 3, 2024.~~

HTHM FRANCHISING LLC AND SUBSIDIARY
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022, 2021 AND 2020
(in U.S. Dollars)

	2022	2021	2020
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	\$ 59,002	\$ 17,209	\$ 71,482
Due from related party	360,840	811,509	116,795
Other receivables	-	-	624
Inventories, net	407,266	172,576	65,049
Total current assets	<u>\$ 827,108</u>	<u>\$ 1,001,294</u>	<u>\$ 253,950</u>
LIABILITIES AND MEMBER'S CAPITAL			
CURRENT LIABILITIES			
Accounts payable – trade	\$ 16,289	\$ 5,675	\$ -
Due to related parties	330,242	757,131	198,040
Accrued expenses and other current liabilities	13,091	-	-
Total current liabilities	<u>359,622</u>	<u>762,806</u>	<u>198,040</u>
MEMBER'S CAPITAL	<u>467,486</u>	<u>238,488</u>	<u>55,910</u>
	<u>\$ 827,108</u>	<u>\$ 1,001,294</u>	<u>\$ 253,950</u>

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN MEMBER'S CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020

HTHM FRANCHISING LLC AND SUBSIDIARY
(in U.S. Dollars)

	2022	2021	2020
SALES	\$ 880,332	\$ 740,701	\$ 377,727
COST OF GOODS SOLD	481,041	467,440	315,689
GROSS PROFIT	399,291	273,261	62,038
OPERATING EXPENSES	90,683	3,217	170,293
NET INCOME	228,998	182,578	58,821
MEMBER'S CAPITAL (DEFICIT) - BEGINNING	238,488	55,910	(2,911)
MEMBER'S CAPITAL - END	\$ 467,486	\$ 238,488	\$ 55,910

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020
(in U.S. Dollars)

	2022	2021	2020
--	------	------	------

HTHM FRANCHISING LLC AND SUBSIDIARY

CASH FLOWS FROM OPERATING ACTIVITIES

Net income	\$ 228,998	\$ 182,578	\$ 58,821
(Increase) decrease in operating assets			
Due from related party	450,669	(694,714)	(70,807)
Other receivables		624	(624)
Inventories, net	(234,690)	(107,527)	(44,454)
Increase (decrease) in operating liabilities			
Accounts payable – trade	1,0614	5,675	(10,122)
Due to related parties	(426,889)	559,091	136,918
Accrued expenses and other current liabilities	1,3091		
Net cash flows from operating activities	4,1793	(54,273)	6,9732
CASH AND CASH EQUIVALENTS – BEGINNING	1,7209	71,482	1,750
CASH AND CASH EQUIVALENTS – END	<u>\$ 59,002</u>	<u>\$ 17,209</u>	<u>\$ 71,482</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid during the year for:			
Interest	\$	\$	\$
Income taxes	\$	\$	\$

HTHM FRANCHISING LLC AND SUBSIDIARY

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2022, 2021 AND 2020 (in U.S. Dollars)

1. ORGANIZATION AND INDUSTRY

HTHM Franchising LLC was formed in Delaware during August 2018, and is a wholly owned subsidiary of US Food Holdings LLC. HTHM Franchising LLC owns 100% of the membership interests of HTHM Supply LLC. HTHM Franchising LLC is established to issue franchise agreements and receive franchise fees, including royalties. It is currently in the preparatory phase to establish its initial franchisees. HTHM Supply LLC exists to purchase inventories from a related party and to sell inventories to a related party and eventually to franchisees. The entities primarily operate from Marlborough, Massachusetts. HTHM Franchising LLC and HTHM Supply LLC are hereafter referred to together as the "Company." The Company's principal market is the United States of America.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents

Cash equivalents are defined as investments having a maturity, when purchased, of three months or less. The Company maintains bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Inventories

Inventories are stated at the lower of cost and net realizable value, with cost determined by the first-in, first-out method. Inventories total \$407,266, \$172,576 and \$65,049 as of December 31, 2022, 2021 and 2020, respectively, and consist entirely of finished goods purchased for resale.

HTHM FRANCHISING LLC AND SUBSIDIARY

Income and deferred taxes

~~The Company is a member of a group that files a consolidated income tax return. The Company is a disregarded entity for federal and state income tax purposes, and therefore, the results of the Company's operations are allocated to the member for inclusion in its respective income tax returns. Accordingly, no provision or benefit for income taxes has been recorded in the accompanying consolidated financial statements.~~

~~The Company adheres to the provisions of FASB ASC 740-10-25, which requires the Company to evaluate uncertain tax positions. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions are then measured based on the Company's largest benefit that has a greater than 50% likelihood of being realized upon settlement. An income tax expense, including associated interest and penalties, and tax liability, is recorded should the Company take a tax position that has a lesser than 50% likelihood of being realized upon settlement. There were no such tax liabilities recorded as of December 31, 2022, 2021 and 2020.~~

~~The Company files income tax returns in the United States of America federal jurisdiction and in various state jurisdictions. Generally, the Company's federal income tax returns are subject to examination by the Internal Revenue Service three years from the filing date. Generally, the state jurisdictions in which the Company files income tax returns are subject to examination for a period from three to seven years after the returns are filed.~~

Revenue recognition

The Company adheres to FASB Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606). Revenue is measured based on consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a

product to a customer in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products.

For performance obligations related to frozen food products, control transfers to the customer at a point in time. The Company's standard shipping terms are FOB Origin, and the Company transfers control and records revenue for product upon shipment. There are no standard payment terms and conditions or significant financing components as all sales are to a related party. Further, there is no associated variable consideration, such as rebates, allowances, and returns that would generally decrease the transaction price which reduces revenue.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Shipping and handling cost

Shipping and handling costs associated with items delivered to customers are expensed as incurred and are recorded in operating expenses in the accompanying consolidated statements of operations and changes in member's capital.

Foreign currency transactions

The U.S. dollar is the functional currency of the Company. Transactions denominated in foreign currency are translated using the prevailing exchange rate at the date of the transaction. A gain or loss on foreign currency translation is recorded based on the change in the exchange rate between the date of the transaction and the settlement date. Balances denominated in foreign currencies and still outstanding at the balance sheet date are translated using the prevailing rate at the balance sheet date.

Concentration of risk and significant customers and vendors

For financial disclosure purposes, the Company defines significant customers and vendors as those equaling or exceeding 10 percent of sales or purchases for any year, and/or 10 percent of year-end trade receivables or payables. Substantially all sales and receivables are with one related party. Substantially all purchases and payables are with two related parties. See Note 34.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of HTHM Franchising LLC and its wholly owned subsidiary HTHM Supply LLC. Upon consolidation, all material intercompany balances and transactions have been eliminated.

3. INVENTORIES

Inventories consisted of the following at December 31:

	<u>2024</u>	<u>2023</u>
<u>Finished goods</u>	<u>\$ 524,597</u>	<u>\$ 333,235</u>
<u>Less: inventory obsolescence reserve</u>	<u>(69,764)</u>	<u>-</u>
	<u>\$ 454,833</u>	<u>\$ 333,235</u>

4. RELATED PARTY TRANSACTIONS

Related parties are defined as entities under common ownership of apetito AG, [the ultimate parent company](#).

Due from related party consists of receivables due from HTHM Operations LLC totaling \$~~360,840~~, ~~\$811,509~~[1,071,243](#) and \$~~116,795~~[433,072](#) as of December 31, ~~2022~~, ~~2021~~[2024](#) and ~~2020~~[2023](#), respectively.

Due to related parties consists of the following at December 31:

		2022	2021	2020	2024	2023
HTHM Operations LLC \$	320,802	\$ 580,134	62,122	393,917	\$ 420,802	apetito Canada
Limited	9,440	176,997	135,918	131,962	43,051	
				\$ 330,242	525,879	\$ 757,131
				\$ 198,040	463,853	

Transactions with related parties consists of the following for the years ended December 31:

		2022	2021	2020	2024	2023
Sales of inventories	\$	880,332	740,701	2,038,171	\$ 377,727	846,456
Purchases of inventories		861,069	696,945	1,311,737	296,657	679,828

5. COMMITMENTS AND CONTINGENCIES

[The Company may be subject to various claims and legal proceedings covering matters that arise in the course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Company.](#)

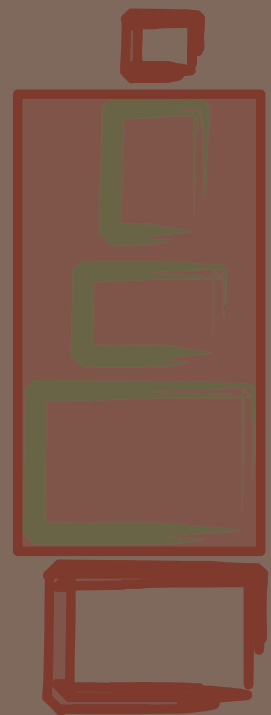
6. SUBSEQUENT EVENTS

[The date to which events occurring after December 31, 2024, the date of the most recent consolidated balance sheet, have been evaluated for possible adjustment to the consolidated financial statements or additional disclosures is April 23, 2025, which is the date the consolidated financial statements were available to be issued.](#)

HTHM FRANCHISING LLC AND SUBSIDIARY

Rödl & Partner

Rödl & Partner



~~HTHM FRANCHISING LLC AND SUBSIDIARY~~

~~CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2022, 2021 AND 2020
TOGETHER WITH
INDEPENDENT AUDITORS' REPORT~~

~~HTHM FRANCHISING LLC AND SUBSIDIARY
TABLE OF CONTENTS
DECEMBER 31, 2022, 2021 AND 2020~~

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CONSOLIDATED BALANCE SHEETS
3

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CONSOLIDATED STATEMENTS OF CASH FLOWS 5

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 6-
8

INDEPENDENT AUDITORS' REPORT

To the Member and Management of
HTHM Franchising LLC and Subsidiary:

Opinion

We have audited the consolidated financial statements of HTHM Franchising LLC and Subsidiary (the "Company"), which comprise the consolidated balance sheets as of December 31, 2022, 2021 and 2020, and the related consolidated statements of operations and changes in member's capital, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2022, 2021 and 2020, and the results of its operations and its cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Related Party Transactions

As mentioned in the notes to the consolidated financial statements, the Company has material transactions with related parties. Our opinion on the consolidated financial statements is not modified with respect to this matter.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

~~Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but it is not absolute assurance and, therefore, it is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.~~

~~In performing our audits in accordance with GAAS, we:~~

- ~~• Exercise professional judgment and maintain professional skepticism throughout our audits.~~
- ~~• Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.~~
- ~~• Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.~~
- ~~• Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.~~
- ~~• Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.~~

~~We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.~~

RÖDL LANGFORD DE KOCK LLP

Birmingham, Alabama,
February 3, 2024.

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022, 2021 AND 2020
(in U.S. Dollars)

2022 2021 2020

ASSETS

CURRENT ASSETS

Cash and cash equivalents	\$ 59,002	\$ 17,209	\$ 71,482
Due from related party	360,840	811,509	116,795
Other receivables	-	-	624
Inventories, net	407,266	172,576	65,049
Total current assets	<u>\$ 827,108</u>	<u>\$ 1,001,294</u>	<u>\$ 253,950</u>

LIABILITIES AND MEMBER'S CAPITAL

CURRENT LIABILITIES

Accounts payable—trade	\$ 16,289	\$ 5,675	\$ -
Due to related parties	330,242	757,131	198,040
Accrued expenses and other current liabilities	<u>13,091</u>	-	-
Total current liabilities	359,622	762,806	198,040

MEMBER'S CAPITAL	467,486	238,488	<u>55,910</u>
	<u>\$ 827,108</u>	<u>\$ 1,001,294</u>	<u>\$ 253,950</u>

CONSOLIDATED STATEMENTS OF OPERATIONS AND CHANGES IN MEMBER'S CAPITAL
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020
(in U.S. Dollars)

	2022	2021	2020
SALES	\$ 880,332	\$ 740,701	\$ 377,727
COST OF GOODS SOLD	481,041	467,440	315,689
GROSS PROFIT	399,291	273,261	62,038
OPERATING EXPENSES	90,683	3,217	170,293
NET INCOME	228,998	182,578	58,821
MEMBER'S CAPITAL (DEFICIT) - BEGINNING	238,488	55,910	(2,911)
MEMBER'S CAPITAL - END	\$ 467,486	\$ 238,488	\$ 58,910

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022, 2021 AND 2020
(in U.S. Dollars)

	2022	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES			
Net income	\$ 228,998	\$ 182,578	\$ 58,821
(Increase) decrease in operating assets			
Due from related party	450,669	(694,714)	(70,807)
Other receivables	—	624	(624)
Inventories, net	(234,690)	(107,527)	(44,454)
Increase (decrease) in operating liabilities			
Accounts payable - trade	1,0614	5,675	(10,122)
Due to related parties	(426,889)	559,091	136,918
Accrued expenses and other current liabilities	1,3091	—	—
Net cash flows from operating activities	41,793	(54,273)	69,732
CASH AND CASH EQUIVALENTS - BEGINNING	17,209	71,482	1,750

CASH AND CASH EQUIVALENTS—END	\$ <u>59,002</u>	\$ <u>17,209</u>	\$ <u>71,482</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION			
Cash paid during the year for:			
Interest	\$ _____	\$ _____	\$ _____
Income taxes	\$ _____	\$ _____	\$ _____

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2022, 2021 AND 2020
(in U.S. Dollars)

~~1. ORGANIZATION AND INDUSTRY~~

~~HTHM Franchising LLC was formed in Delaware during August 2018, and is a wholly owned subsidiary of US Food Holdings LLC. HTHM Franchising LLC owns 100% of the membership interests of HTHM Supply LLC. HTHM Franchising LLC is established to issue franchise agreements and receive franchise fees, including royalties. It is currently in the preparatory phase to establish its initial franchisees. HTHM Supply LLC exists to purchase inventories from a related party and to sell inventories to a related party and eventually to franchisees. The entities primarily operate from Marlborough, Massachusetts. HTHM Franchising LLC and HTHM Supply LLC are hereafter referred to together as the “Company.” The Company’s principal market is the United States of America.~~

~~2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES~~

~~Cash and cash equivalents~~

~~Cash equivalents are defined as investments having a maturity, when purchased, of three months or less. The Company maintains bank deposit accounts which, at times, may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.~~

~~Inventories~~

~~Inventories are stated at the lower of cost and net realizable value, with cost determined by the first-in, first-out method. Inventories total \$407,266, \$172,576 and \$65,049 as of December 31, 2022, 2021 and 2020, respectively, and consist entirely of finished goods purchased for resale.~~

~~Income and deferred taxes~~

~~The Company is a member of a group that files a consolidated income tax return. The Company is a disregarded entity for federal and state income tax purposes, and therefore, the results of the Company’s operations are allocated to the member for inclusion in its respective income tax returns. Accordingly, no provision or benefit for income taxes has been recorded in the accompanying consolidated financial statements.~~

~~The Company adheres to the provisions of FASB ASC 740-10-25, which requires the Company to evaluate uncertain tax positions. The Company recognizes the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained on examination by the taxing authorities, based on the technical merits of the position. The tax benefits recognized in the financial statements from such positions~~

are then measured based on the Company's largest benefit that has a greater than 50% likelihood of being realized upon settlement. An income tax expense, including associated interest and penalties, and tax liability, is recorded should the Company take a tax position that has a lesser than 50% likelihood of being realized upon settlement. There were no such tax liabilities recorded as of December 31, 2022, 2021 and 2020.

The Company files income tax returns in the United States of America federal jurisdiction and in various state jurisdictions. Generally, the Company's federal income tax returns are subject to examination by the Internal Revenue Service three years from the filing date. Generally, the state jurisdictions in which the Company files income tax returns are subject to examination for a period from three to seven years after the returns are filed.

Revenue recognition

The Company adheres to FASB Accounting Standards Update ("ASU") 2014-09, Revenue from Contracts with Customers (Topic 606). Revenue is measured based on consideration specified in a contract with a customer, and excludes any sales incentives and amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control over a product to a customer in an amount that reflects the consideration the Company expects to be entitled to in exchange for those products.

For performance obligations related to frozen food products, control transfers to the customer at a point in time. The Company's standard shipping terms are FOB Origin, and the Company transfers control and records revenue for product upon shipment. There are no standard payment terms and conditions or significant financing components as all sales are to a related party. Further, there is no associated variable consideration, such as rebates, allowances, and returns that would generally decrease the transaction price which reduces revenue.

Use of estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Shipping and handling cost

Shipping and handling costs associated with items delivered to customers are expensed as incurred and are recorded in operating expenses in the accompanying consolidated statements of operations and changes in member's capital.

Foreign currency transactions

The U.S. dollar is the functional currency of the Company. Transactions denominated in foreign currency are translated using the prevailing exchange rate at the date of the transaction. A gain or loss on foreign currency translation is recorded based on the change in the exchange rate between the date of the transaction and the settlement date. Balances denominated in foreign currencies and still outstanding at the balance sheet date are translated using the prevailing rate at the balance sheet date.

Concentration of risk and significant customers and vendors

For financial disclosure purposes, the Company defines significant customers and vendors as those equaling or exceeding 10 percent of sales or purchases for any year, and/or 10 percent of year-end trade receivables or payables. Substantially all sales and receivables are with one related party. Substantially all purchases and payables are with two related parties. See Note 3.

Principles of consolidation

The accompanying consolidated financial statements include the accounts of HTHM Franchising LLC and its wholly owned subsidiary HTHM Supply LLC. Upon consolidation, all material intercompany balances and transactions have been eliminated.

3. RELATED PARTY TRANSACTIONS

Related parties are defined as entities under common ownership of apetito AG.

Due from related party consists of receivables due from HTHM Operations LLC totaling \$360,840, \$811,509 and \$116,795 as of December 31, 2022, 2021 and 2020, respectively.

Due to related parties consists of the following at December 31:

	2022	2021	2020
HTHM Operations LLC	\$ 320,802	\$ 580,134	\$ 62,122
apetito Canada Limited	9,440	176,997	135,918

~~330,242~~ ~~757,131~~ ~~198,040~~

~~Transactions with related parties consists of the following for the years ended December 31:~~

	2022	2021	2020
Sales of inventories	\$ 880,332	\$ 740,701	\$ 377,727
Purchases of inventories	861,069	696,945	296,657

~~4.—COMMITMENTS AND CONTINGENCIES~~

~~The Company may be subject to various claims and legal proceedings covering matters that arise in the course of its business activities. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the Company.~~

~~5.—SUBSEQUENT EVENTS~~

~~The date to which events occurring after December 31, 2022, the date of the most recent consolidated balance sheet, have been evaluated for possible adjustment to the consolidated financial statements or additional disclosures is February 3, 2024, which is the date the consolidated financial statements were available to be issued.~~

Exhibit D

State Administrators and Agents for Service of Process

We intend to register this Disclosure Document as a “license” or “franchise” in some or all of the following states, in accordance with the applicable state law. If and when we pursue franchise registration (or otherwise comply with the franchise investment laws) in these states, the following are the state administrators responsible for the review, registration, and oversight of franchises in that state:

<p>California Department of Financial Protection and Innovation 320 West 4th Street, Suite 750 Los Angeles, California 90013-2344 (213) 576-7500 or (866) 275-2677 (Toll Free) www.dfpi.ca.gov Ask.DFPI@dfpi.ca.gov</p>	<p>Michigan Michigan Department of Commerce Corporations and Securities Bureau 670 Law Building Lansing, Michigan (517) 373-7117</p>	<p>South Dakota Department of Labor and Regulation Division of Securities 124 S. Euclid, Suite 104 Pierre SD 57501 (605) 773-3563</p>
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Hawaii
Business Registration Division Securities
Compliance
Department of Commerce and Consumer
Affairs
335 Merchant Street, Room 203
Honolulu, Hawaii 96813
(808) 586-2722

Illinois
Franchise Division
Office of Attorney General
500 South Second Street
Springfield, Illinois 62706
(217) 782-4465

Indiana
Franchise Section
Indiana Securities Division
Secretary of State, Room E-111
302 West Washington Street
Indianapolis, Indiana 46204
(317) 232-6681

Maryland
Office of Attorney General
Division of Securities

Minnesota
Minnesota Department of
Commerce
85 7th Place East, Suite ~~280~~500
St. Paul, Minnesota 55155 (651)
~~539-1600~~296-6328

New York
New York State Department of Law
Investor Protection Bureau
28 Liberty Street, 21st Floor
New York, New York 10005
(212) 416-8211

200 St. Paul Place
Baltimore, Maryland 21202-2020
(410) 576-6360

North Dakota
Office of Securities Commissioner
600 East Boulevard, Fifth Floor
Bismarck, North Dakota 58505
(701) 328-4712

Virginia
State Corporation Commission,
Division of Securities and Retail
Franchising
1300 E. Main Street, Ninth Floor
Richmond, Virginia 23219
(804) 371-9051

Washington
Department of Financial Institutions
Securities Division
P.O. Box 41200
Olympia, Washington 9850
(360) 902-8760

Rhode Island
Division of Securities
233 Richmond Street, Suite 232
Providence, Rhode Island 02903-
4232 (401) 222-
3048 Wisconsin
Division of Securities Department of
Financial Institutions
P. O. Box 1768
Madison, Wisconsin 53701 (608)
266-8559

Agents for Service of Process:

- California: Department of Financial Protection and Innovation, 2101 Arena Blvd, Sacramento, California 95834
- Delaware: Corporation Service Company, 251 Little Falls Drive, Wilmington, Delaware 19808
- Hawaii: Commissioner of Securities, PO Box 40, Honolulu, Hawaii 96810
- Illinois: Illinois Attorney General, 500 South Second Street, Springfield, Illinois 62706
- Indiana: Indiana Secretary of State, 302 W. Washington Street, Indianapolis, Indiana 46204
- Maryland: Maryland Securities Commissioner, 200 St. Paul Place, Baltimore, Maryland 21202
- Massachusetts: Corporation Service Company, 84 State Street, Boston, Massachusetts 02109
- Minnesota: Commissioner of Commerce, 85 7th Place East, Suite 500, St. Paul, Minnesota 55155
- New York: New York Secretary of State, 99 Washington Avenue, Albany, New York 12231

Section 7: Service Standards (13 pages)

Section 8: Business Administration (22 pages)

Section 9: Routine Processes & Procedures (20 pages)

Section 10: Customer Optimization (22 pages)

Section 11 Marketing & Sales (19 pages)

Exhibit F

Names and Addresses of Franchisees as of December 31, ~~2023~~2024

SCHEDULE C

Heart to Home Meals Franchisees

Note—All franchisees are located in Canada [List of Current Franchisees as of December 31, 2024](#)

[North Carolina](#)
[HTHM LLC](#)
[Patrick Ignacio 2240](#)
[Benvenue Rd.](#)
[Rocky Mount, NC 27804](#)
[\(252\) 242.0025](#)
Patrick.ignacio@hearttohomemeals.com

Heart to Home Meals Canadian Franchisee Contact Information			
Franchisee's Name	Email Address	Contact Number	Address
Alexander Robert Cheetham Marianne Cheetham David Cheetham	niagara@hearttohomemeals.ca	Main: 905-684-1024 Toll Free: 1 (844) 714-0333	Unit 2-330 Vansickle Road St. Catharines, ON L2S 0B4
Chetan Bahl	edmonton@hearttohomemeals.ca	Main: 780-666-2336 Toll Free: 1-800- 704-4779 7044779	2841 16A Ave NW Edmonton, AB T6T 0T7
Dave Galley	windsor@hearttohomemeals.ca	Main: 1-844- 221-6383 2216383	6746 Concession Rd 6 South Amherstburg, ON N9V 2Y8

Donna Qiao	halton@hearttohomemeals.ca	Main: 289-409-0050 Toll Free: 1-844- 409-0050 4090050	3-581 McGeachie Drive Milton, ON L9T 3L5
Fred Pennell	winnipeg@hearttohomemeals.ca c a	Main: (204) 781-0630	1142 Sanford Street, Winnipeg, MB R2E 2Z9
Fred Piercey	hamilton@hearttohomemeals.ca c a	Toll Free Free 1 (855) 740 8080	347 Grays Road Hamilton, ON L8E 2Z1
Jerome & Kate Ubalde	toronto.east@hearttohomemeals.ca	Main: 416-424-4774 Toll Free: 1-844-424-4777	25 Commercial Road, Unit 10 Toronto, Ontario M4G 1Z3
Kate Williams Wes Mulder	kingston@hearttohomemeals.ca	Main: 613-384-3333 Toll Free: 1-844-384-2333	870 Selkirk Road Kingston, ON K7P 1B6
Lisa Moles Simon Pickess	central.ontario@hearttohomemeals.ca	Main: 705-444-0741 Toll Free: 1-888-444-0741	4302 County Road 124 Collingwood, ON L9Y 3Z1
Neil & Emily Ogilvie	durham@hearttohomemeals.ca ; neil.ogilvie@hearttohomemeals.ca	Main: 905-579-2255 Toll Free: 1-844-479-2255	3-1260 Terwillegar Ave Oshawa, ON L1J 7A5
Paul & Linda Knight	londonsarnia@hearttohomemeals.ca	Main: 519-899-4246 Toll Free: 1-877-404-4246	PO-Box 5290 Forest ON N0N 1J0
Scott Dowton	victoria@hearttohomemeals.ca	Toll Free: 1-844-812-1974	629 Dunedin Street Victoria, BC V8T2L7
Teri & Mike Staley	york@hearttohomemeals.ca	Toll Free: 1-800-526-2679	5 Furbacher Lane Unit 2 Aurora, On L4G6W2
Tim Young	ottawa@hearttohomemeals.ca	Main: 613-489-3900 Toll Free: 1-844-489-3900	6735 Farmstead Ridge North Gower, ON K0A 2T0

4885-5971-7301v1
2950403-000008 04/09/2024

			Hamilton, ON L8E 2Z1
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4905-2187-4995v2
2950403-000013 04/30/2025

Jerome & Kate Ubalde	toronto.east@hearttohomemeals.ca	Main: 416-424-4774 Toll Free: 1-844-4244777	25 Commercial Road, Unit 10 Toronto, Ontario M4G 1Z3
Kate Williams Wes Mulder	kingston@hearttohomemeals.ca	Main: 613-384-3333 Toll Free: 1-844-3842333	870 Selkirk Road Kingston, ON K7P 1B6
Lisa Moles Simon Pickess	central.ontario@hearttohomemeals.ca	Main: 705-444-0741 Toll Free: 1-888-444-0741 Cell: 705-888-3301	4302 County Road 124 Collingwood, ON L9Y 3Z1
Neil & Emily Ogilvie	durham@hearttohomemeals.ca neil.ogilvie@hearttohomemeals.ca	Main: 905-579-2255 Toll Free: 1-844-4792255	3-1260 Terwillegar Ave Oshawa, ON L1J 7A5
Paul & Linda Knight	londonsarnia@hearttohomemeals.ca	Main: 519-899-4246 Toll Free: 1-877-4044246	PO Box 5290 Forest ON N0N 1J0
Scott Dowton	victoria@hearttohomemeals.ca	Toll Free: 1-844-8121974	629 Dunedin Street Victoria, BC V8T2L7
Teri & Mike Staley	york@hearttohomemeals.ca	Toll Free: 1-800-5262679	5 Furbacher Lane Unit 2 Aurora, On L4G6W2
Tim Young	ottawa@hearttohomemeals.ca	Main: 613-489-3900 Toll Free: 1-844-489-3900 Cell: 613-316-2877	6735 Farmstead Ridge North Gower, ON K0A 2T0
Tracy Brunt	calgary@hearttohomemeals.ca	Main: 403-374-6816 Toll Free: 1-844-431-2800 4312800	63 Scenic Way NW Calgary, AB T3L 1B3
Wayne & Lisa Miller	novascotia@hearttohomemeals.ca	Main: 902-444-2230 Toll Free: 1-833-444-2230 4442230	60 Commercial Drive Harrietsfield, NS B3V 1A4

Youla & Vivek Thomas	vancouver@hearttohomemeals.ca	Main: 604 813 4963	Unit B, 4642 London Cresc., Delta, BC V4K4W8
			V4K4W8
Kam & Sukhi Bhathal	fraservalley@hearttohomemeals.ca	Main: 1-888-331-3418	28250 Starr Rd, Abbotsford BC V4X 2C5

4885-5971-7301v1 =
2950403-000008-04/09/2024

IF YOU BUY THIS FRANCHISE, YOUR CONTACT INFORMATION MAY BE DISCLOSED TO OTHER BUYERS WHEN YOU LEAVE THE FRANCHISE SYSTEM.

List of Outlets Transferred from Franchisees to New Owners as of December 31, 2024

None

List of Outlets That Were Terminated, Canceled, Not Renewed, or Ceased Operations for Other Reasons as of December 31, 2024

None

List of Franchisees Who Have Signed Franchise Agreements But Are Not Open as of December 31, 2024

None

SCHEDULE D

Former Heart to Home Meals Franchisees

Franchisee's Name	Date left the system	Email Address	Reason
Krystal Joseph	2023-03-31	krystal.joseph@gmail.com	Terminated

Franchisee's Name	Date left the system	Email Address	Reason
Tim Tureotte	2021-12-01	timjokar@gmail.com	Retirement.
Loretta Rampel, Kirby H	2021-07-01	kirby_harmon@3ssecurity.co	nRetirement.

SCHEDULE E

Reasons for Closure

Terminated	Cancelled	Not Renewed	Reacquired by Franchisor	Transfer/Sale of Business	Other
±				±	±

Exhibit G

Closing Acknowledgement

~~4859-9210-3269v17~~ [4902-3187-7939v3](#)

~~Forms of Closing Acknowledgement~~

HEART TO HOME MEALS
FRANCHISE CLOSING ACKNOWLEDGMENT

(Not used for transactions in California, Hawaii, Illinois, Maryland, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia and Washington)

As you know, you (or the entity you represent) and we are entering into a Franchise Agreement to operate a Franchised Business with HTHM Franchising, LLC (“Franchisor”). The purpose of this Closing Acknowledgment is to determine whether any statements or promises were made to you on which you have relied that we have not authorized or that may be untrue, inaccurate or misleading. Please review each of the following questions carefully and provide honest, accurate and complete responses to each question.

Acknowledgments and Representations*.

Did you receive a copy of our Franchise Disclosure Document (“FDD”) (and all exhibits and attachments) at least 14 calendar days (or at the first personal meeting in Iowa or New York, or least 10 business days if you are in Connecticut, Michigan or New York), before you signed the Franchise Agreement? Check one: Yes No. If no, please tell us if and when you received the FDD and when you signed the Franchise Agreement. Please explain why you signed the Franchise Agreement before the 14 days expired:

Did you receive a copy of the Franchise Agreement at least 7 days before you signed the Agreement? Check one: Yes No. If no, tell us when you received the Franchise Agreement and when you signed it. Please explain why you signed the Franchise Agreement when you did:

Was any oral, written or visual claim, statement, presentation or representation made to you on which you relied in making your decision to sign the Franchise Agreement that contradicted the disclosures in the FDD? Check one: Yes No. If yes, please explain in detail the oral, written or visual statement, presentation, claim or representation:

Except for any financial performance representation included as Item 19 in our FDD, did any employee or other person speaking on our behalf make any oral, written or visual claim, statement, promise or representation to you that stated, suggested, predicted or projected sales, revenues, expenses, earnings, income or profit levels at any Franchised Business franchise, or the likelihood of success at your Franchised Business on which you relied in making your decision to sign the Franchise Agreement? Check one: Yes No. If yes, please explain in detail who made and what you understand is the oral, written or visual claim, statement, promise or representation:

GENERAL RELEASE FOR TRANSFER OR RENEWAL

This General Release (the "Release") is made as of the ____ day of _____, 20____ ("Effective Date") by and between _____ (the "Franchisee") and HTHM Franchising, LLC, a Delaware limited liability company ("Franchisor").

WHEREAS, Franchisee is a party to a certain Franchise Agreement dated _____, 20____ (the "Franchise Agreement") by and between Franchisee and Franchisor; and

WHEREAS, Franchisee desires to sell and assign the Franchise Agreement or transfer the Franchised Business (as defined in the Franchise Agreement) at the Premises (as defined in the Franchise Agreement) to a third party in accordance with the transfer provisions of the Franchise Agreement, and Franchisor has approved the application of the transferee to succeed to and become the franchisee of the Franchised Business at the Premises; and

WHEREAS, the Franchise Agreement requires that, as a condition to any Transfer (as defined in the Franchise Agreement) under the Franchise Agreement, Franchisee and the transferee must first execute a general release of all claims in favor of Franchisor.

NOW, THEREFORE, for and in consideration of the premises and of the mutual agreements contained herein, the parties covenant and agree as follows:

1. Release of Franchisor. Franchisee hereby releases and forever discharges Franchisor, any subsidiary or affiliate of Franchisor, their respective officers, directors, members, employees, agents, contractors and their respective successors, assigns, heirs and personal representatives from any and all claims, demands, rights and causes of action of any kind that Franchisee now has or hereafter may have on account of or in any way arising out of or related to the offer, sale, administration, performance, default, assignment and termination of the Franchise Agreement. Franchisor and Franchisee mutually intend that this Release shall include, without limitation, claims, demands and causes of action arising out of alleged misrepresentations of any kind or nature whatsoever, alleged breaches of contract (based upon implied, express, estoppel, waiver, or alternative theories of contractual obligation), or breach of any alleged special, trust, agency or fiduciary relationship, whether asserted or proposed to be asserted by way of claim, setoff, affirmative defense, counterclaim, cross-claim or third party claim.

2. No Release of Franchisee. Franchisee is not released from any duty or obligation imposed upon Franchisee by the Franchise Agreement, provided that upon assignment and assumption of the Franchise Agreement by the authorized transferee and delivery of all of the documents and fees required by Franchisor as a condition to the assignment or transfer of the Franchised Business, Franchisee shall have no liability or obligation with respect to any breach of the Franchise Agreement by the transferee arising after the date of transfer or assignment.

3. Survival of Obligations. Franchisee and Guarantor(s) each acknowledge that its obligations under the Franchise Agreement with respect to indemnification, audits (as to accounting periods prior to the Termination Date) and confidentiality of materials disclosed while the Franchise Agreement was in effect, and any other provision that specifies it survives termination of the Franchise Agreement all remain in full force and effect. Franchisee and Guarantor(s) shall contact Franchisor regarding any questions on such surviving obligations. For purposes of this Release, "Confidential Materials" means all

CONFIDENTIALITY AGREEMENT

THIS CONFIDENTIALITY AGREEMENT (this "Agreement") is made and entered into as of _____, 20____, by and between HTHM Franchising, LLC, a Delaware limited liability company ("Franchisor" "we," "us" or "our"), and _____, a _____ ("you" or "your").

RECITALS

- A. We have developed a business format system (the "System") for the operation of a business providing a program to sell and deliver frozen prepared meals identified to the public under the trade name and style "Heart to Home Meals" ("Program Meals"), to home bound individuals and institutions, particularly persons over 75 years old ("Program Customers") identified by trademarks, trade names and other commercial symbols, graphics and related logos and commercial symbols (collectively, the "Marks") (referred to as a "Franchised Business").
- B. You desire to obtain more information about the operation of a Franchised Business before making a decision about whether to sign a Franchise Agreement with us. We are willing to provide you with certain confidential information subject to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and promises set forth in this Agreement, and for other good and valuable consideration, the receipt and sufficiency of which the parties mutually acknowledge, you and we agree as follows:

1. The Recitals are incorporated by reference.
2. This Agreement enables you to receive access to and review our Operating Manual on a confidential basis before you enter into a Franchise Agreement with us to develop and operate Franchised Business.
3. We grant you no rights under this Agreement, and you are under no obligation to enter into a Franchise Agreement or open and operate a Franchised Business.
4. Your rights under this Agreement are personal in nature and not transferable or assignable by written assignment, will or intestate succession, operation of law, or otherwise.
5. This Agreement grants no franchise, license, or other immediately exercisable rights to you. Only the execution of the Franchise Agreement by you and us will bind you and us to a franchise relationship. We are not joint venturers with you, and you have no authority to represent to any party that you are, or have the authority to act as our agent, partner or affiliate. Neither party is authorized to bind or obligate the other party under any contract. We do not guarantee your lease or any other obligation for the Franchised Business or provide any financing for the Franchised Business.
6. You have and will receive certain confidential information and knowledge concerning the Heart to Home Meals business of ours that we wish to protect. You shall not reveal that confidential

information to any other party unless required by law or use it for the benefit a business you own, operate, lease, finance, manager, advise or provide services to as an employee or contractor. You agree to keep and maintain as confidential information any

~~4873-6381-6629~~[4931-4495-3395](tel:4931-4495-3395)

written materials we provide to you designated as confidential at the time of disclosure and will return the same to us immediately if and when this Agreement terminates. All such materials remain our property, and you may not copy or use the materials for any purpose other than to carry out your obligations under this Agreement.

7. You agree to indemnify, defend and hold us harmless against claims from third parties arising from your acts, omissions, performance or non-performance of this Agreement. We will notify you of any pending, asserted or threatened claim, and you will promptly respond and defend at your expense when you receive the notice with counsel acceptable to us.

IN WITNESS WHEREOF, the parties have executed and delivered this Agreement, intending to be legally bound, effective as of the date inserted above. This Agreement may be executed in counterparts, through electronic signatures or DocuSign.

APPLICANT (“you”):
FRANCHISING, LLC (“we”):

HTHM

By: _____

By: _____

Printed Name: _____

Printed Name: _____

Title: _____

Title: _____

By: _____

Printed Name: _____

Title: _____

Date Received: _____

Date Signed: _____

Physical Address: _____

Email: _____

STATE EFFECTIVE DATES

The following states have franchise laws that require that the Franchise Disclosure Document be registered or filed with the state, or be exempt from registration: California, Hawaii, Illinois, Indiana, Maryland, Michigan, Minnesota, New York, North Dakota, Rhode Island, South Dakota, Virginia, Washington, and Wisconsin.

This document is effective and may be used in the following states, where the document is filed, registered, or exempt from registration, as of the Effective Date stated below:

State	Registration Date
Illinois	Pending
Indiana	February 13, 2024 Pending
Maryland	Pending
Michigan	February 14, 2024 Pending
Minnesota	Pending
New York	April 30, 2024 Pending
Rhode Island	February 20, 2024 Pending
Virginia	April 15, 2024 Pending
Wisconsin	February 15, 2024 Pending

Other states may require registration, filing, or exemption of a franchise under other laws, such as those that regulate the offer and sale of business opportunities or seller-assisted marketing plans.

4859-9210-3269v17

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain English. Read this Disclosure Document and all agreements carefully.

If HTHM Franchising, LLC (“Franchisor”) offers you a franchise, we must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this Disclosure Document at the earlier of the first personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 days before you sign a binding contract or pay any consideration. Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Franchisor does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and you should report it to the Federal Trade

Commission, Washington, D.C. 20580, and the applicable state agency listed on Exhibit D to this Franchise Disclosure Document.

Franchisor is located at 289 Elm Street, Suite 102, Marlborough, MA 01752. Its telephone number is (508) 658-3000. The franchise seller for this offering ~~is~~ are: Christopher Webb at 289 Elm Street, Suite 102, Marlborough, MA 01752, ~~telephone number 617-990-6783~~ (617) 9906783, and Rick Peroe at 289 Elm Street, Suite 102, Marlborough, MA 01752, (757) 818-5088.

Issuance Date: ~~February 20, 2024, as amended August 9, 2024~~ April 28, 2025

Franchisor has authorized the persons listed on Exhibit D to this Disclosure Document to receive service of process for us in Massachusetts and states where our franchise is registered.

I have received Franchisor's Disclosure Document, dated ~~February 20, 2024, as amended August 9, 2024~~ April 28, 2025 (or the later date set forth for each applicable state on Exhibit D to this Franchise Disclosure Document), which includes the following exhibits:

- | | |
|---|---|
| A. Franchise Agreement | E. Table of Contents of Operations Manual |
| B. Disclosure Document and Addenda Required by Certain States | F. Names and Addresses of Franchisees |
| C. Financial Statements | G. Closing Acknowledgement |
| D. State Administrators and Agents for Service of Process | H. General Release |
| | I. PreSale Confidentiality Agreement |

Date of Signature
(Do not leave blank)

Signature of Prospective Franchisee (for the prospective franchisee and any corporation, partnership or other business entity having or proposed to have an interest in the franchise or any proposed franchised location)

Printed Name:

You may return the signed receipt either by signing, dating, and mailing it to HTHM Franchising, LLC at 289 Elm Street, Suite 102, Marlborough, MA 01752 or by scanning and emailing a copy of the signed and dated receipt to HTHM Franchising, LLC at chris.webb@hearttohomemeals.com.

4859-9210-3269v19

RECEIPT OF FRANCHISE DISCLOSURE DOCUMENT

This Disclosure Document summarizes certain provisions of the Franchise Agreement and other information in plain English. Read this Disclosure Document and all agreements carefully.

If HTHM Franchising, LLC ("Franchisor") offers you a franchise, we must provide this Disclosure Document to you 14 calendar-days before you sign a binding agreement with, or make a payment to, the Franchisor or an affiliate in connection with the proposed franchise sale. New York requires that we give you this Disclosure Document at the earlier of the first

personal meeting or 10 business days before the execution of the franchise or other agreement or the payment of any consideration that relates to the franchise relationship. Iowa requires that we give you this Disclosure Document at the earlier of the first personal meeting or 14 days before you sign a binding contract or pay any consideration. Michigan requires that we give you this Disclosure Document at least 10 business days before the execution of any binding franchise or other agreement or the payment of any consideration, whichever occurs first.

If Franchisor does not deliver this Disclosure Document on time or if it contains a false or misleading statement or a material omission, a violation of federal law and state law may have occurred and you should report it to the Federal Trade Commission, Washington, D.C. 20580, and the applicable state agency listed on Exhibit D to this Franchise Disclosure Document.

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Issuance Date: ~~February 20, 2024, as amended August 9, 2024~~ [April 28, 2025](#)

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| D. State Administrators and Agents for Service of Process | H. General Release |
| | I. Pre-Sale Confidentiality Agreement |

Date of Signature _____ Signature of Prospective Franchisee (for the prospective franchisee and any corporation, partnership or other business entity having or proposed to have an interest in the franchise or any proposed franchised location)

Printed Name: _____

You may return the signed receipt either by signing, dating, and mailing it to HTHM Franchising, LLC at 289 Elm Street, Suite 102, Marlborough, MA 01752 or by scanning and emailing a copy of the signed and dated receipt to HTHM Franchising, LLC at chris.webb@hearttohomemeals.com.

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