

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) 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.

DEFINITIONS

- (a) Average – means the sum of all data points in a set, divided by the number of data points in that set.
- (b) Franchise Outlet – refers to a Frios Outlet operated under a Franchise Agreement that is not an outlet that is owned directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document.
- (c) Full Year – refers to a Frios Outlet that is open and operating every month or nearly every month of the year, maintaining a consistent sales activity regardless of season.
- (d) Gross Sales – means the total revenue derived by each Frios Outlet less sales tax, discounts, allowances, and returns.
- (e) Median – means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.
- (f) New Franchise Outlet – means a Franchise Outlet that for the first time opened and commenced operations during the 2025 calendar year. For example, if a Franchise Outlet first opened for business in February 2025, the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet, see definition below.
- (g) Operational Franchise Outlet – means a Franchise Outlet that has been open and in operation for 12 months as of December 31, 2025.
- (h) Seasonal – refers to a Frios Outlet that operates during the peak season of April through September and generate little to no revenue during the off season (fall and winter).
- (i) Part Time Outlet – refers to a Frios Outlet that is being operated alongside other employment or obligations and, whether seasonal or full-time, operates at a reduced volume and frequency compared to full-time Frios Outlets.

BASES AND ASSUMPTIONS

The financial information was not prepared on a basis consistent with generally accepted accounting principles. Data for our Operational Franchise Outlets is based on information reported to us by our franchisees. The information in this analysis has not been audited, is based on historical financial data, and

is not a forecast or projection of future financial performance.

OPERATIONAL FRANCHISE OUTLETS

As of December 31, 2025, we had a total of 113 Franchise Outlets. Of the 113 Franchise Outlets, 56 Outlets constitute Operational Franchise Outlets, 18 Outlets constitute New Franchise Outlets, and 39 Outlets were excluded from this Item 19 because they either left the Frios system, did not operate for full year of 2025 or ceased operating their Frios Business during the 2025 calendar year but did not officially terminate their Franchise Agreement. In this Item 19, we exclude data for our New Franchise Outlets.

During the 2025 Calendar Year our Operational Franchise Outlets operated in Operating Territories ranging from approximately 150,000 people to approximately 700,000 people, which is the equivalent of one to four Territories. Some Operational Franchise Outlets disclosed in this Item 19 operate under a Franchise Agreement that includes a different territory structure than currently offered in this Disclosure Document, however, the information presented is representative of the Franchised Business.

Table I below details the high, low, average and median Gross Sales of Operational Franchise Outlets based on the years the Franchise Outlet has been in operation.

Table I

Operational Franchise Outlets Gross Sales Based on Years in Operations for the 2025 Calendar Year							
	Number of Franchise Outlets	High	Low	Average	Median	Above Average	Below Average
Franchise Outlets with Three or More Years of Operations	20	\$290,715	\$4,274	\$118,832	\$100,414	8 of 20	12 of 20
Franchise Outlets with One to Three Years of Operations	36	\$271,497	\$7,097	\$77, 832	\$63,996	15 of 36	21 of 36

Table II below details the high, low, average and median Gross Sales of Operational Franchise Outlets based on whether the Franchise Outlet is operating full-time, seasonally or part-time.

Table II

Operational Franchise Outlets Gross Sales Based on Operational Status for the 2025 Calendar Year							
	Number of Franchise Outlets	High	Low	Average	Median	Above Average	Below Average
Franchise Outlets Operating Full-Time	18	\$290,715	\$51,246	\$127,785	\$94,034	6 of 18	12 of 18
Franchise Outlets Operating Seasonally	18	\$180,720	\$50,659	\$107,199	\$93,200	7 of 18	11 of 18
Franchise Outlets Operating Part-Time	20	\$118,719	\$4,274	\$47,445	\$43,260	9 of 20	11 of 20

Table III below details the high, low, average and median single-day Gross Sales of Operational Franchise Outlets for each month in 2025. Some Operational Franchise Outlets report no sales and due to this the low for each month is \$0.

Operational Franchise Outlets Single Day Gross Sales for Each Month for the 2025 Calendar Year					
Month	Number of Franchise Outlets	Low	Average	Median	High
January	56	\$0	\$507	\$180	\$5,000
February	56	\$0	\$598	\$392	\$3,960
March	56	\$0	\$1,351	\$962	\$8,064
April	56	\$0	\$1,662	\$1,378	\$5,885
May	56	\$0	\$2,494	\$1,741	\$21,000
June	56	\$0	\$2,399	\$1,664	\$14,348
July	56	\$0	\$2,535	\$1,800	\$8,460
August	56	\$0	\$3,843	\$2,075	\$55,480
September	56	\$0	\$2,202	\$1,726	\$7,008
October	56	\$0	\$1,926	\$1,320	\$10,270
November	56	\$0	\$786	\$480	\$6,520
December	56	\$0	\$456	\$213	\$4,113

Some Outlets have achieved these Gross Sales. Your individual results may differ. There is no assurance that you'll achieve as much.

Written substantiation of the data used in preparing these Gross Sales figures will be made available to you upon reasonable request.

Other than the preceding financial performance representation, Frios Franchising Company, LLC does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting Cliff Kennedy, Frios Franchising Company, LLC, 1201 West I-65 Service Road North, Mobile, Alabama 36618, and (817) 675-6882, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	59	89	+30
	2024	89	106	+17
	2025	106	113	+7
Company Owned	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
Total Outlets	2023	60	90	+30
	2024	90	107	+17
	2025	107	114	+7

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2023 to 2025

State	Year	Number of Transfers
Alabama	2023	1
	2024	0
	2025	0
Arizona	2023	0
	2024	1
	2025	0
Florida	2023	1
	2024	1
	2025	0
North Carolina	2023	0
	2024	2
	2025	0
Oklahoma	2023	1
	2024	0
	2025	0