

PROVISION	SECTION IN AGREEMENT	SUMMARY
the term of the franchise		that receives 10% or more of its gross revenue from the sale of protein bowls and salads.
r. Non-competition covenants after the franchise is terminated/ expires	Multi-Unit Agreement § 8.2	Multi-Unit Agreement: For 2 years after termination, non-renewal, or expiration of your Multi-Unit Agreement, you must not own or engage in a similar business within 5 miles of your Development Area, any other development area or any company-owned or franchised location.
s. Modification of the agreement	Multi-Unit Agreement § 12.8	Multi-Unit Agreement: No modifications generally except in writing signed by both parties.
t. Integration/ merger clause	Multi-Unit Agreement § 12.8	Only the terms of the Franchise Agreement and Multi-Unit Agreement are binding (subject to state law). Any representations or promises outside of the Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Multi-Unit Agreement § 11.1	Except for certain claims, all disputes not first settled informally or by mediation must be arbitrated in Idaho, under rules of the American Arbitration Association.
v. Choice of forum	Multi-Unit Agreement § 11.1	AAA, Kootenai, Idaho. This provision is subject to individual state laws.
w. Choice of law	Multi-Unit Agreement § 12.7	Idaho law, except federal Lanham Act and Federal Arbitration Act, which choice of law is subject to individual state law.

Refer to the state law addendums in Exhibit D for information specific to the laws of your state.

**ITEM 18. PUBLIC FIGURES**

We currently use no public figures to promote the 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.

As of June 30, 2025, there were three (3) affiliate-owned KONALA restaurants (each, an “Affiliate-Owned Location”) and zero (0) franchised restaurants (each, a “Franchised Restaurant”).

Part I of this Item discloses the historical Net Sales generated, as well as certain COGs, labor, and other controllable or fixed operating costs and expenses, and certain defined estimated fees incurred, by all two (2) Affiliate-Owned Locations from September 1, 2024, through August 31, 2025. Because Affiliate-Owned Location 3 opened in January 2025, Part I of this Item also discloses the historical Net Sales generated, as well as certain COGs, labor, and other controllable or fixed operating costs and expenses, and certain defined estimated fees for Affiliate-Owned Location 3 during its first six (6) months of operations (January 24, 2025, through July 24, 2025).

Part II of this Item sets forth the total, average, median, high, and low Net Sales generated by all three (3) Affiliate-Owned Locations for the six-month period starting on January 24, 2025, and ending July 24, 2025. We used this time period since Affiliate-Owned Location 3 opened on January 24, 2025, and it otherwise demonstrates the Net Sales generated during the first six (6) months of operations.

The Affiliate-Owned Locations included in this financial performance representation are substantially similar to the KONALA Restaurant for which we are offering franchises in this Disclosure Document.

**Some outlets have sold or earned this amount. Your individual results may differ. There is no assurance you will sell or earn as much.**

*[The remainder of this page is left intentionally blank.]*

**PART I: NET SALES, CERTAIN COGS, LABOR, AND OTHER FIXED OPERATING COSTS AND EXPENSES AND ESTIMATED FEES INCURRED BY THE AFFILIATE-OWNED LOCATIONS.**

**Affiliate-Owned Location 1 (September 1, 2024 – August 31, 2025) (1 Year)**

	Total	% Net Sales
Sales		
Sales	\$1,858,012.48	100.96%
Discounts, comps	(\$17,675.97)	-0.96%
<b>Total Net Sales</b>	<b>\$1,840,336.51</b>	<b>100.00%</b>
Cost of Goods Sold		
Food	\$546,103.73	29.67%
<b>Total Cost of Goods Sold</b>	<b>\$546,103.73</b>	<b>29.67%</b>
Labor		
Wages	\$407,357.76	22.13%
<b>Total Labor</b>	<b>\$407,357.76</b>	<b>22.13%</b>
<b>Prime Cost</b>	<b>\$953,461.49</b>	<b>51.81%</b>
<b>Prime Margin</b>	<b>\$886,875.02</b>	<b>48.19%</b>
Expenses		
Bank Service Charges	\$16.36	>0.01%
Computer and Internet Expenses	\$3,053.58	0.17%
Credit Card Processing Fees	\$57,693.41	3.13%
Insurance	\$4,400.00	0.24%
Legal, Accounting and Professional Fees	\$1,172.72	0.06%
Repairs and Maintenance	\$21,340.53	1.16%
Restaurant Supplies	\$55,628.68	3.02%
Utilities	\$18,243.20	0.99%
Other Business Expenses	\$6,090.36	0.33%
<b>Total Operating Expenses</b>	<b>\$167,638.84</b>	<b>9.11%</b>
<b>Rent</b>	<b>\$114,005.94</b>	<b>6.19%</b>
<b>Corporate Unit Level EBITDA</b>	<b>\$605,230.24</b>	<b>32.89%</b>
Estimated Franchise Costs not Incurred by Affiliate-Owned Location 1		
R royalty (6%)	\$110,420.19	6.00%
Local Advertising (Greater of \$850 or 1%)	\$18,403.37	1.00%
Brand Dev. Fund (2%)	\$36,806.73	2.00%
Technology Fee (0.25%)	\$4,600.84	0.25%
<b>Total Franchise Costs</b>	<b>\$170,231.13</b>	<b>9.25%</b>
<b>Franchisee Adjusted Unit Level EBITDA</b>	<b>\$434,999.11</b>	<b>23.64%</b>

**Affiliate-Owned Location 2 (September 1, 2024 – August 31, 2025) (1 Year)**

	<b>Total</b>	<b>% Net Sales</b>
Sales		
Sales	\$1,590,670.05	100.48%
Discounts, comps	(\$7,563.57)	-0.48%
<b>Total Net Sales</b>	<b>\$1,583,106.48</b>	<b>100.00%</b>
Cost of Goods Sold		
Food	\$537,908.90	33.98%
<b>Total Cost of Goods Sold</b>	<b>\$537,908.90</b>	<b>33.98%</b>
Labor		
Wages	\$341,815.02	21.59%
<b>Total Labor</b>	<b>\$341,815.02</b>	<b>21.59%</b>
<b>Prime Cost</b>	<b>\$879,723.92</b>	<b>55.57%</b>
<b>Prime Margin</b>	<b>\$703,382.56</b>	<b>44.43%</b>
Expenses		
Bank Service Charges	\$430.18	0.03%
Computer and Internet Expenses	\$4,646.29	0.29%
Credit Card Processing Fees	\$49,543.19	3.13%
Insurance	\$4,400.00	0.28%
Legal, Accounting and Professional Fees	\$1,172.72	0.07%
Repairs and Maintenance	\$5,300.38	0.33%
Restaurant Supplies	\$51,153.99	3.23%
Utilities	\$19,209.06	1.21%
Other Business Expenses	\$3,864.65	0.24%
<b>Total Operating Expenses</b>	<b>\$139,720.46</b>	<b>8.83%</b>
<b>Rent</b>	<b>\$114,003.62</b>	<b>7.20%</b>
<b>Corporate Unit Level EBITDA</b>	<b>\$449,658.48</b>	<b>28.40%</b>
Estimated Franchise Costs not Incurred by Affiliate-Owned Location 2		
R royalty (6%)	\$94,986.39	6.00%
Local Advertising (Greater of \$850 or 1%)	\$15,831.06	1.00%
Brand Dev. Fund (2%)	\$31,662.13	2.00%
Technology Fee (0.25%)	\$3,957.77	0.25%
<b>Total Franchise Costs</b>	<b>\$146,437.35</b>	<b>9.25%</b>
<b>Franchisee Adjusted Unit Level EBITDA</b>	<b>\$303,221.13</b>	<b>19.15%</b>

**Affiliate-Owned Location 3 (January 24, 2025 – July 24, 2025) (6 Months)**

	<b>Total</b>	<b>% Net Sales</b>
Sales		
Sales	\$1,281,163.52	101.44%
Discounts, comps	(\$18,229.53)	-1.44%
<b>Total Net Sales</b>	<b>\$1,262,933.99</b>	<b>100.00%</b>
Cost of Goods Sold		
Food	\$368,286.21	29.16%
<b>Total Cost of Goods Sold</b>	<b>\$368,286.21</b>	<b>29.16%</b>
Labor		
Wages	\$248,104.06	19.65%
<b>Total Labor</b>	<b>\$248,104.06</b>	<b>19.65%</b>
<b>Prime Cost</b>	<b>\$616,390.27</b>	<b>48.81%</b>
<b>Prime Margin</b>	<b>\$646,543.72</b>	<b>51.19%</b>
Expenses		
Bank Service Charges	\$76.00	>0.01%
Computer and Internet Expenses	\$2,533.74	0.20%
Credit Card Processing Fees	\$16,519.73	1.31%
Insurance	\$1,100.00	0.09%
Legal, Accounting and Professional Fees	\$1,172.73	0.09%
Repairs and Maintenance	\$2,219.34	0.18%
Restaurant Supplies	\$11,058.99	0.88%
Utilities	\$24,070.79	1.91%
Other Business Expenses	\$442.29	0.04%
<b>Total Operating Expenses</b>	<b>\$59,193.61</b>	<b>4.69%</b>
<b>Rent</b>	<b>\$48,679.84</b>	<b>3.85%</b>
<b>Corporate Unit Level EBITDA</b>	<b>\$538,670.27</b>	<b>42.65%</b>
Estimated Franchise Costs not Incurred by Affiliate-Owned Location 3		
R royalty (6%)	\$75,776.04	6.00%
Local Advertising (Greater of \$850 or 1%)	\$12,629.34	1.00%
Brand Dev. Fund (2%)	\$25,258.68	2.00%
Technology Fee (0.25%)	\$3,157.33	0.25%
<b>Total Franchise Costs</b>	<b>\$116,821.39</b>	<b>9.25%</b>
<b>Franchisee Adjusted Unit Level EBITDA</b>	<b>\$421,848.88</b>	<b>33.40%</b>

**Notes to Part I:**

1. **Sales:** “Sales” means total revenue that derived from the operation of the Restaurant, including, but not limited to, revenue from services rendered by the Restaurant and products sold by the Restaurant, whether from sales for cash or credit and regardless of the collection thereof. “Sales” does not include sales taxes.
2. **Net Sales:** “Net Sales” means the total revenue generated by the Affiliate-Owned Location, including all revenue generated from the sale and provision of any and all approved

products and services at or through the Affiliate-Owned Location and all proceeds from any business interruption insurance related to the non-operation of the Affiliate-Owned Location, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange. Net Sales includes the redemption of gift cards. “Net Sales” does not include (a) tips received by employees through their employment with the Affiliate-Owned Location, (b) any sales tax and equivalent taxes that are collected by the Affiliate-Owned Location for or on behalf of any governmental taxing authority and paid thereto, or (c) gift cards when sold, or (d) for items sold pursuant to coupons or other discounts, Net Sales also excludes the amount discounted from the purchase price of such item.

3. **Total Cost of Goods Sold:** “Total Cost of Goods Sold” means the total amount that the Affiliate-Owned Location incurred in connection with purchasing food, beverages, packaging, and other menu items.
4. **Total Labor:** “Total Labor” means the total cost and compensation paid in connection with the engagement of productive labor and taxes.
5. **Prime Cost:** “Prime Cost” is calculated by adding together the Total Cost of Goods Sold and Total Labor.
6. **Prime Margin.** “Prime Margin” is calculated by subtracting Prime Cost from Net Sales.
7. **Corporate Unit Level EBITDA:** “Corporate Unit Level EBITDA” means Earnings Before Interest, Taxes, Depreciation, and Amortization calculated before franchise costs, real estate and owner’s compensation. It is calculated by subtracting Total Operating Expenses and Rent from Prime Margin
8. **Estimated Franchise Costs not Incurred by Affiliate:** You must consider your franchised business’s required Royalty Fees, Brand Fund contributions, Local Marketing spend, Technology Fees and other required spending as part of its expected operating expenses. Under the Franchise Agreement, you are required to pay us a Royalty Fee in the amount of 6% of Net Sales, contribute to the Brand Fund in the amount of 2% of Net Sales, spend the greater of \$850 or 1% of Net Sales per month on local advertising, and pay 0.25% of Net Sales for the Technology Fee. In addition to the expenses listed, you must consider all other operating costs which may not be applicable to the Affiliate-Owned Locations, including, but not limited to, mortgage and other real estate expenses, debt service, taxes, and owner’s compensation, which would have to be paid out of Net Sales and have not been deducted before calculating the Net Income Before Owners’ Expenses. The Affiliate-Owned Locations spend the same amount on local advertising that you are required to spend under the Franchise Agreement.
9. **Franchisee Adjusted Unit Level EBITDA:** “Franchisee Adjusted Unit Level EBITDA” means Earnings Before Interest, Taxes, Depreciation, and Amortization calculated after franchise fees/costs, but before real estate and owner’s compensation

**PART II: AVERAGE, MEDIAN, HIGH AND LOW NET SALES GENERATED BY THE AFFILIATE-OWNED LOCATIONS FROM JANUARY 24, 2025, THROUGH JULY 24, 2025 (6 MONTHS)**

January 24, 2025, through July 24, 2025 (6 Months)					
Affiliate-Owned Location 1	Affiliate-Owned Location 2	Affiliate-Owned Location 3	Average Net Sales	Median Net Sales	Number (and %) That Met or Exceeded Average
\$1,059,252.99	\$890,218.76	\$1,262,933.99	\$1,070,801.91	\$1,059,252.99	1 (33%)

**Notes to Part II:**

1. **Average.** “Average,” also known as the “mean,” means the sum of all data points in a set, divided by the number of data points in that set.
2. **Median.** “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 it by two.
3. **Net Sales.** “Net Sales” means the total revenue generated by the Affiliate-Owned Location, including all revenue generated from the sale and provision of any and all approved products and services at or through the Affiliate-Owned Location and all proceeds from any business interruption insurance related to the non-operation of the Affiliate-Owned Location, whether such revenues are evidenced by cash, check, credit, charge, account, barter or exchange. Net Sales includes the redemption of gift cards. “Net Sales” does not include (a) tips received by employees through their employment with the Affiliate-Owned Location, (b) any sales tax and equivalent taxes that are collected by the Affiliate-Owned Location for or on behalf of any governmental taxing authority and paid thereto, or (c) gift cards when sold, or (d) for items sold pursuant to coupons or other discounts, Net Sales also excludes the amount discounted from the purchase price of such item.

**General Notes to Item 19:**

1. **Affiliate-Owned Location 1.** Affiliate-Owned Location 1 is a drive-thru building that has full inside seating. Affiliate-Owned Location 1 is approximately 3,800 square feet. Of this, approximately 2,800 square feet is used for the Restaurant with the remaining 1,000 square feet used for offices. Affiliate-Owned Location 1 opened in August 2024.
2. **Affiliate-Owned Location 2.** Affiliate-Owned Location 2 is a drive-thru walk-up building that is approximately 1,100 square feet in size, with patio seating but no inside seating. Affiliate-Owned Location 2 opened in May 2023.
3. **Affiliate-Owned Location 3.** Affiliate-Owned Location 3 is a drive-thru building that has full inside seating. Affiliate-Owned Location 3 is approximately 2,700 square feet. Affiliate-Owned Location 3 opened in January 2025.

4. Written substantiation for the financial performance representation will be made available to you upon request.

Other than the preceding financial performance representations, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor's management by contacting our Manager, in writing at Konala Franchising LLC, 107 E. 7<sup>th</sup> Ave., Post Falls, ID 83854, 775-225-9902, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20. OUTLETS AND FRANCHISEE INFORMATION**

**Table 1**  
**Systemwide Outlet Summary**  
**For years 2023, 2024, and 2025<sup>(1)(2)(3)</sup>**

<b>OUTLET TYPE</b>	<b>YEAR</b>	<b>OUTLETS AT THE START OF THE YEAR</b>	<b>OUTLETS AT THE END OF THE YEAR</b>	<b>NET CHANGE</b>
<b>Franchised</b>	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
<b>Company Owned</b>	2023	0	1	+1
	2024	1	1	0
	2025	1	3	+2
<b>Total Outlets</b>	<b>2023</b>	<b>0</b>	<b>1</b>	<b>+1</b>
	<b>2024</b>	<b>1</b>	<b>1</b>	<b>0</b>
	<b>2025</b>	<b>1</b>	<b>3</b>	<b>+2</b>

**Notes:**

(1) For 2023, the figures above reflect transactions that occurred between July 1, 2022, and June 30, 2023.

(2) For 2024, the figures above reflect transactions that occurred between July 1, 2023, and June 30, 2024.

(3) For 2025, the figures above reflect transactions that occurred between July 1, 2024, and June 30, 2025.