

## 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.

#### **PART 1-A:**

#### **AVERAGE GROSS RECEIPTS OF ALL AFFILIATE-OWNED SHOPS FOR YEARS 2022 TO 2024<sup>1</sup>**

	<b>2024<sup>2</sup></b>		
Category <sup>3</sup>	High	Middle	Low
Number of Shops in Category	17	17	17
Average Gross Receipts <sup>4</sup>	\$1,356,353	\$974,328	\$690,329
Number/Percent of Shops Exceeding Average	9 (53%)	7 (41%)	11 (65%)
Median Gross Receipts <sup>4</sup>	\$1,376,172	\$930,121	\$702,271
Range - Low End	\$1,118,048	\$880,066	\$473,492
Range - High End	\$1,846,562	\$1,112,593	\$826,748
System-wide Average/Median of Affiliate-Owned Shops	\$1,007,003	/	\$930,121
Number of Shops Exceeding the System-wide Average	23 (45%)		

  

	<b>2023<sup>2</sup></b>		
Category <sup>3</sup>	High	Middle	Low
Number of Shops in Category	17	17	16
Average Gross Receipts <sup>4</sup>	\$1,385,538	\$1,003,454	\$712,698
Number/Percent of Shops Exceeding Average	7 (41%)	9 (53%)	10 (63%)
Median Gross Receipts <sup>4</sup>	\$1,383,487	\$1,067,020	\$770,405
Range - Low End	\$1,168,615	\$871,681	\$461,553
Range - High End	\$1,871,177	\$1,139,087	\$864,637
System-wide Average/Median of Affiliate-Owned Shops	\$1,040,321	/	\$1,043,583
Number of Shops Exceeding the System-wide Average	25 (50%)		

	2022 <sup>2</sup>		
Category <sup>3</sup>	High	Middle	Low
Number of Shops in Category	14	14	14
Average Gross Receipts <sup>4</sup>	\$1,353,617	\$1,004,905	\$670,560
Number/Percent of Shops Exceeding Average	5 (36%)	6 (43%)	7 (50%)
Median Gross Receipts <sup>4</sup>	\$1,325,894	\$1,001,135	\$666,875
Range - Low End	\$1,205,758	\$856,586	\$484,480
Range - High End	\$1,597,370	\$1,205,460	\$833,954
System-wide Average/Median of Affiliate-Owned Shops	\$1,009,694	/	\$1,001,135
Number of Shops Exceeding the System-wide Average	20 (48%)		

### **PART 1-B:**

#### **AVERAGE GROSS RECEIPTS OF FRANCHISED SHOPS FOR YEARS 2022 TO 2024**

##### **FRANCHISED TRADITIONAL SHOPS<sup>1</sup>**

	2024 <sup>2</sup>		
Category <sup>3</sup>	High	Middle	Low
Number of Shops in Category	10	11	10
Average Gross Receipts <sup>4</sup>	\$1,228,439	\$795,459	\$529,741
Number/Percent of Shops Exceeding Average	5 (50%)	5 (45%)	5 (50%)
Median Gross Receipts <sup>4</sup>	\$1,048,807	\$786,125	\$536,515
Range - Low End	\$922,971	\$670,644	\$320,988
Range - High End	\$2,033,571	\$919,067	\$658,770
System-wide Average/Median of Traditional Shops	\$849,415	/	\$786,125
Number of Shops Exceeding the System-wide Average	13 (42%)		

<b>2023<sup>2</sup></b>			
Category <sup>3</sup>	High	Middle	Low
Number of Shops in Category	12	12	12
Average Gross Receipts <sup>4</sup>	\$1,211,829	\$798,492	\$433,899
Number/Percent of Shops Exceeding Average	4 (33%)	8 (67%)	7 (58%)
Median Gross Receipts <sup>4</sup>	\$1,062,796	\$824,637	\$514,772
Range - Low End	\$894,262	\$675,711	\$128,788
Range - High End	\$2,141,524	\$885,653	\$623,583
System-wide Average/Median of Traditional Shops	\$814,740	/	\$824,637
Number of Shops Exceeding the System-wide Average	19 (53%)		
<b>2022<sup>2</sup></b>			
Category <sup>3</sup>	High	Middle	Low
Number of Shops in Category	14	15	14
Average Gross Receipts <sup>4</sup>	\$1,124,666	\$768,246	\$396,184
Number/Percent of Shops Exceeding Average	4 (29%)	9 (60%)	7 (50%)
Median Gross Receipts <sup>4</sup>	\$1,029,332	\$789,352	\$398,499
Range - Low End	\$894,491	\$575,781	\$182,618
Range - High End	\$2,045,577	\$891,720	\$534,845
System-wide Average/Median of Traditional Shops	\$763,153	/	\$789,352
Number of Shops Exceeding the System-wide Average	23 (53%)		

### **FRANCHISED NON-TRADITIONAL SHOPS<sup>1</sup>**

Year <sup>2</sup>			
Year <sup>2</sup>	2024	2023	2022
Number of Shops in Category	5	5	5
Average Gross Receipts <sup>4</sup>	\$505,708	\$515,624	\$442,527
Number/Percent of Shops Exceeding Average	1 (20%)	2 (40%)	3 (60%)
Median Gross Receipts <sup>4</sup>	\$469,160	\$467,791	\$443,152
Range - Low End	\$339,449	\$318,610	\$304,600
Range - High End	\$798,889	\$780,555	\$633,284

## **PART 1-C:**

### **DRIVE THRU AND NON-DRIVE THRU SHOPS FOR YEARS 2022 TO 2024**

#### **ALL TRADITIONAL DRIVE THRU SHOPS<sup>5</sup>**

Year <sup>2</sup>	2024	2023	2022
Number of Shops in Category	33	33	31
Average Gross Receipts <sup>4</sup>	\$1,120,324	\$1,144,474	\$1,097,185
Number/Percent of Shops Exceeding Average	15 (45%)	16 (48%)	16 (52%)
Median Gross Receipts <sup>4</sup>	\$1,059,874	\$1,098,756	\$1,101,141
Range – Low End	\$630,156	\$230,085	\$307,667
Range – High End	\$2,033,571	\$2,141,524	\$2,045,577

#### **AFFILIATE-OWNED TRADITIONAL DRIVE THRU SHOPS<sup>5</sup>**

Year <sup>2</sup>	2024	2023	2022
Number of Shops in Category	29	26	24
Average Gross Receipts <sup>4</sup>	\$1,089,526	\$1,150,649	\$1,109,235
Number/Percent of Shops Exceeding Average	14 (48%)	14 (54%)	12 (50%)
Median Gross Receipts <sup>4</sup>	\$1,059,874	\$1,170,391	\$1,153,449
Range – Low End	\$630,156	\$626,787	\$571,531
Range – High End	\$1,846,562	\$1,871,177	\$1,597,370

#### **FRANCHISED TRADITIONAL DRIVE THRU SHOPS<sup>5</sup>**

Year <sup>2</sup>	2024	2023	2022
Number of Shops in Category	4	7	7
Average Gross Receipts <sup>4</sup>	\$1,343,611	\$1,121,539	\$1,055,868
Number/Percent of Shops Exceeding Average	2 (50%)	2 (29%)	3 (43%)
Median Gross Receipts <sup>4</sup>	\$1,277,374	\$1,014,224	\$953,452
Range – Low End	\$786,125	\$230,085	\$307,667
Range – High End	\$2,033,571	\$2,141,524	\$2,045,577

## ALL TRADITIONAL NON-DRIVE THRU SHOPS<sup>6</sup>

Year <sup>2</sup>	2024	2023	2022
Number of Shops in Category	49	52	54
Average Gross Receipts <sup>4</sup>	\$830,986	\$821,431	\$763,148
Number/Percent of Shops Exceeding Average	22 (45%)	27 (52%)	30 (56%)
Median Gross Receipts <sup>4</sup>	\$806,025	\$845,858	\$793,707
Range – Low End	\$320,988	\$128,788	\$182,618
Range – High End	\$1,509,681	\$1,485,543	\$1,341,465

## **AFFILIATE-OWNED TRADITIONAL NON-DRIVE THRU SHOPS<sup>6</sup>**

	Year <sup>2</sup>	2024	2023	2022
Number of Shops in Category		22	17	18
Average Gross Receipts <sup>4</sup>		\$898,224	\$958,141	\$876,972
Number/Percent of Shops Exceeding Average		11 (50%)	7 (41%)	9 (50%)
Median Gross Receipts <sup>4</sup>		\$902,299	\$910,707	\$879,969
Range – Low End		\$473,492	\$461,553	\$484,480
Range – High End		\$1,509,681	\$1,449,594	\$1,290,829

## **FRANCHISED TRADITIONAL NON-DRIVE THRU SHOPS<sup>6</sup>**

	Year <sup>2</sup>	2024	2023	2022
Number of Shops in Category		27	35	36
Average Gross Receipts <sup>4</sup>		\$776,200	\$755,029	\$706,237
Number/Percent of Shops Exceeding Average		13 (48%)	18 (51%)	19 (53%)
Median Gross Receipts <sup>4</sup>		\$774,332	\$804,397	\$761,495
Range – Low End		\$320,988	\$128,788	\$182,618
Range – High End		\$1,415,536	\$1,485,543	\$1,341,465

### **NOTES TO PARTS 1-A, 1-B, AND 1-C:**

1. “Traditional Shops” mean all COUSINS SUBS Shops other than those “Non-traditional Shops.” “Non-traditional Shops” mean those COUSINS SUBS Shops which are (a) co-branded with a pizza establishment, (b) located within a convenience store, or (c) attached to a convenience store. There were 4 affiliate-owned Non-traditional Shops operating in 2022, 2023, and 2024 and those are included in the total affiliate-owned Shops.
2. The fiscal year ends on the last Sunday of the calendar year in all fiscal years. The fiscal years for 2022 and 2024 included 52 weeks while 2023 included 53 weeks. The numbers in the above charts are for the fiscal years ending December 25, 2022, December 31, 2023, and December 29, 2024. Each chart includes all affiliate-owned and franchised Shops that were open the entire applicable fiscal year. The charts do not include Shops that were opened during the applicable fiscal year or permanently closed during the applicable fiscal year. The charts do not include special event locations or food trucks. The affiliate-owned charts include Shops that were acquired from a franchisee during a fiscal year if the Shop was affiliate-owned for 6 months or longer during the applicable fiscal year; if the Shop

was not affiliate-owned for at least 6 months, it was included in the applicable franchised Shops chart. During the 2022 fiscal year, (i) 2 franchised Shops closed and are excluded from the franchised Shops chart, (ii) 1 affiliate-owned Shop closed and is excluded from the affiliate-owned Shops chart, and (iii) Cousins acquired 3 Shops from franchisees, all of which are included in the affiliate-owned chart. During the 2023 fiscal year, (i) 1 affiliate-owned Shop closed and is excluded from the affiliate-owned Shops chart and (ii) Cousins acquired 6 Shops from franchisees, all of which are included in the franchised Shops chart. During the 2024 fiscal year, (i) 4 franchised Shops closed and are excluded from the franchised Shops chart, and (ii) Cousins acquired 1 Shop from a franchisee, and such Shop is included in the affiliate-owned chart.

3. The Traditional Shops were ranked according to the annual amount of gross receipts and divided into 3 equal categories. The “High” category contains the top third, the “Middle” category contains the middle third, and the “Low” category contains the bottom third.
4. “Gross receipts” means the aggregate amount of all sales of food products, beverages and other merchandise and products of every kind or nature sold from, at or in connection with the Cousins Subs Shop or arising out of the operation or conduct of business by the Cousins Subs Shop, including any revenues from all vending machine, video game machine and juke box sales, less any customer refunds up to the amount of the sales price and excluding all sales, use or service taxes collected and paid to the appropriate taxing authority. “Gross receipts” shall include: (a) all amounts redeemed from gift certificates, gift cards or similar mediums, (b) all insurance proceeds received for loss of business due to a casualty or similar event at the Shop, and (c) the fair market value of any services or products received in barter or exchange for services or products.
5. “Traditional Drive Thru Shops” mean all traditional COUSINS SUBS Shops that operated with a drive thru for the entire year of operation.
6. “Traditional Non-Drive Thru Shops” mean all traditional COUSINS SUBS Shops that operated the entire year of operation and did not have a drive thru.

*[Part 2 begins on next page]*

## PART 2:

### AVERAGE ANNUAL REVENUE, EXPENSES, AND EBITDA<sup>1</sup> OF AFFILIATE-OWNED SHOPS<sup>2</sup> FOR YEARS 2022 TO 2024

**Fiscal Year Ending December 29, 2024<sup>3</sup>**

Category	Revenue from \$0 to \$699,999	Revenue from \$700,000 to \$999,999	Revenue Greater than \$1,000,000	
<b>Number of Shops Within Category</b>	6	20	24	
<b>Revenue</b>				
Product sales	Average \$ \$642,452	% of Revenue 108.10%	Average \$ \$1,394,180	% of Revenue 110.12%
Less: Discounts- Coupons	(28,663)	-4.82%	(75,172)	-5.94%
Less: Employee Discounts	(19,487)	-3.28%	(52,978)	-4.18%
<b>Total Revenue:</b>	<b>594,302</b>	<b>100%</b>	<b>1,266,030</b>	<b>100%</b>
<b>Number/Percentage of Shops with Revenue that exceeded the average</b>	4 (67%)	10 (50%)	11 (46%)	
<b>Cost of Goods Sold</b>				
Food & Beverage Products	141,571	23.82%	197,813	23.89%
Paper Products	18,239	3.07%	24,372	2.94%
<b>Total Cost of Goods Sold:</b>	<b>159,810</b>	<b>26.89%</b>	<b>330,124</b>	<b>26.07%</b>
<b>Number/Percentage of Shops with Cost of Goods Sold below the average</b>	4 (67%)	8 (40%)	12 (50%)	
<b>Operating Expenses</b>				
Wages <sup>4</sup>	199,135	33.51%	267,369	32.29%
Occupancy	46,188	7.77%	63,589	7.68%
Telephone & Utilities	17,530	2.95%	22,071	2.67%
Advertising <sup>5</sup>	31,937	5.37%	43,006	5.19%
Employee Benefits <sup>6</sup>	8,095	1.36%	14,273	1.72%
Other Operating Expenses <sup>7</sup>	70,522	11.87%	85,557	10.33%
Franchise Fees <sup>8</sup>	35,658	6.00%	49,689	6.00%
<b>Total Operating Expenses:</b>	<b>409,065</b>	<b>68.83%</b>	<b>764,918</b>	<b>60.42%</b>
<b>Number/Percentage of Shops with Operating Expenses below the average</b>	3 (50%)	9 (45%)	11 (46%)	
<b>Shop EBITDA:</b>	<b>25,427</b>	<b>4.28%</b>	<b>60,413</b>	<b>7.29%</b>
<b>Number/Percentage of Shops with EBITDA that exceeded the average</b>	3 (5%)	11 (55%)	10 (42%)	

**Fiscal Year Ending December 31, 2023<sup>3</sup>**

Category	Revenue from \$0 to \$699,999		Revenue from \$700,000 to \$999,999		Revenue Greater than \$1,000,000	
<b>Number of Shops Within Category</b>	3		16		25	
<b>Revenue</b>						
Product sales	Average \$	% of Revenue	Average \$	% of Revenue	Average \$	% of Revenue
Less: Discounts- Coupons	\$622,790	108.86%	\$896,691	108.82%	\$1,403,845	109.10%
Less: Employee Discounts	(24,757)	-4.33%	(36,428)	-4.42%	(59,332)	-4.61%
<b>Total Revenue:</b>	<b>572,103</b>	<b>100%</b>	<b>824,018</b>	<b>100%</b>	<b>1,286,739</b>	<b>100%</b>
<b>Number/Percentage of Shops with Revenue that exceeded the average</b>	2 (67%)		8 (50%)		12 (48%)	
<b>Cost of Goods Sold</b>						
Food & Beverage Products	144,541	25.26%	202,139	24.53%	313,379	24.35%
Paper Products	17,864	3.12%	24,505	2.97%	37,619	2.92%
<b>Total Cost of Goods Sold:</b>	<b>162,405</b>	<b>28.38%</b>	<b>226,644</b>	<b>27.50%</b>	<b>350,998</b>	<b>27.27%</b>
<b>Number/Percentage of Shops with Cost of Goods Sold below the average</b>	1 (33%)		8 (50%)		14 (56%)	
<b>Operating Expenses</b>						
Wages <sup>4</sup>	196,366	34.32%	258,816	31.41%	368,043	28.60%
Occupancy	46,105	8.06%	62,465	7.58%	89,162	6.93%
Telephone & Utilities	13,052	2.28%	20,845	2.53%	28,655	2.23%
Advertising <sup>5</sup>	30,665	5.36%	41,802	5.07%	63,727	4.95%
Employee Benefits <sup>6</sup>	7,022	1.23%	13,923	1.69%	22,104	1.72%
Other Operating Expenses <sup>7</sup>	67,442	11.79%	83,554	10.14%	114,456	8.90%
Franchise Fees <sup>8</sup>	34,326	6.00%	49,441	6.00%	77,204	6.00%
<b>Total Operating Expenses:</b>	<b>394,978</b>	<b>69.04%</b>	<b>530,846</b>	<b>64.42%</b>	<b>763,351</b>	<b>59.33%</b>
<b>Number/Percentage of Shops with Operating Expenses below the average</b>	1 (33%)		8 (50%)		13 (52%)	
<b>Shop EBITDA:</b>	<b>14,720</b>	<b>2.58%</b>	<b>66,528</b>	<b>8.08%</b>	<b>172,390</b>	<b>13.40%</b>
<b>Number/Percentage of Shops with EBITDA that exceeded the average</b>	1 (33%)		6 (38%)		12 (48%)	

**Fiscal Year Ending December 25, 2022<sup>3</sup>**

Category	Revenue from \$0 to \$699,999		Revenue from \$700,000 to \$999,999		Revenue Greater than \$1,000,000	
<b>Number of Shops Within Category</b>	9		10		21	
<b>Revenue</b>						
Product sales	Average \$	% of Revenue	Average \$	% of Revenue	Average \$	% of Revenue
Less: Discounts- Coupons	662,751	109.15%	954,046	108.70%	1,363,181	108.45%
Less: Employee Discounts	(22,720)	- 3.74%	(34,114)	-3.89%	(44,904)	-3.57%
<b>Total Revenue:</b>	<b>607,179</b>	<b>100%</b>	<b>877,666</b>	<b>100%</b>	<b>1,256,965</b>	<b>100%</b>
<b>Number/Percentage of Shops with Revenue that exceeded the average</b>	5 (56%)		5 (50%)		11 (52%)	
<b>Cost of Goods Sold</b>						
Food & Beverage Products	157,852	26.00%	224,371	25.56%	317,682	25.27%
Paper Products	18,854	3.11%	26,529	3.02%	37,039	2.95%
<b>Total Cost of Goods Sold:</b>	<b>176,706</b>	<b>29.11%</b>	<b>250,900</b>	<b>28.58%</b>	<b>354,721</b>	<b>28.22%</b>
<b>Number/Percentage of Shops with Cost of Goods Sold below the average</b>	4 (44%)		6 (60%)		8 (38%)	
<b>Operating Expenses</b>						
Wages <sup>4</sup>	208,067	34.27%	266,383	30.35%	349,461	27.80%
Occupancy	44,614	7.35%	63,695	7.26%	90,996	7.24%
Telephone & Utilities	18,064	2.98%	20,327	2.32%	28,176	2.24%
Advertising <sup>5</sup>	32,533	5.36%	45,966	5.24%	61,741	4.91%
Employee Benefits <sup>6</sup>	7,955	1.31%	9,631	1.10%	19,252	1.53%
Other Operating Expenses <sup>7</sup>	67,405	11.10%	79,054	9.01%	105,924	8.43%
Franchise Fees <sup>8</sup>	36,431	6.00%	52,660	6.00%	75,418	6.00%
<b>Total Operating Expenses:</b>	<b>415,069</b>	<b>68.37%</b>	<b>537,717</b>	<b>61.28%</b>	<b>730,968</b>	<b>58.15%</b>
<b>Number/Percentage of Shops with Operating Expenses below the average</b>	4 (44%)		5 (50%)		12 (57%)	
<b>Shop EBITDA:</b>						
<b>Number/Percentage of Shops with EBITDA that exceeded the average</b>	<b>15,404</b>	<b>2.52%</b>	<b>89,049</b>	<b>10.14%</b>	<b>171,276</b>	<b>13.63%</b>
	3 (33%)		5 (50%)		9 (43%)	