

Provision	Section In Franchise Agreement	Summary
t. Integration/merger clause	Section 29	Only the terms of the Franchise Agreement, the OPM, the documents referred to in and the attachments to the Franchise Agreement are binding. Any other oral or written promises related to the subject matter of the Franchise Agreement may not be enforceable. This is not intended to disclaim any representation made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Not Applicable	
v. Choice of forum	Section 31.B.	Subject to applicable state law, you can only file suit where our principal offices are located. We may file suit in the jurisdiction where our principal offices are located, where you reside or do business, where the Franchised Restaurant is or was located or where the claim arose.
w. Choice of law	Section 31.A.	Subject to applicable state law, Tennessee law applies.

NOTES

Certain states require franchisors to make additional disclosures related to the information contained in this disclosure document. These disclosures are contained in Exhibit K to this disclosure document.

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-operated 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 this 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.

This financial performance representation includes two Sections. Section I of this financial performance representation shows the average revenue for certain freestanding Carl’s Jr. Restaurants that were operated by our franchisees and us (as company-operated restaurants) during the entire 53 week time period of January 28, 2025 to January 26, 2026 (the “FY26 Period”). Section II of this financial performance representation shows average food and paper and labor costs as a percentage of average revenue for certain freestanding Carl’s Jr. Restaurants located in California and outside of California that were operated by our franchisees and us (as company-operated restaurants) during the FY26 Period.

Section I: FY26 Average Revenue

This Section I shows the average revenue for 778 freestanding Carl’s Jr. Restaurants that were operated by our franchisees and us (as company-operated restaurants) during the FY26 Period. Of the 778

freestanding Carl's Jr. Restaurants included in this financial performance representation, 50 restaurants are company-operated restaurants, and 728 restaurants are franchised restaurants.

At the end of FY26 we had 992 franchised and company-operated restaurants open and operating in the United States. Of the 164 restaurants excluded from this financial performance representation: (i) 78 restaurants operate from a travel plaza, gas and convenience store, college, university, toll plaza, or airport – meaning, they do not operate from a freestanding location, (ii) 15 restaurants did not provide us with complete revenue data for the entire FY26 time period, and (iii) 71 are Dual Concept Restaurants.

**Average Revenue FY26
Franchised Carl's Jr. Freestanding Restaurants¹**

Average Revenue ²	\$1,388,797
Median Revenue	\$1,317,362
# Met / Exceeded Average	334
% Met / Exceeded Average	42.9%
Lowest	\$468,470
Highest	\$3,233,404

**Average Revenue FY26
Company-Owned Carl's Jr. Freestanding Restaurants¹**

Average Revenue ²	\$2,244,810
Median Revenue	\$2,140,468
# Met / Exceeded Average	20
% Met / Exceeded Average	40.0%
Lowest	\$1,369,857
Highest	\$4,255,595

Section I Table Notes

1. **Freestanding Restaurants.** The restaurants included in this financial performance representation are all freestanding Carl's Jr. Restaurants located in the United States. A Carl's Jr. restaurant is considered "freestanding" if it is located in a single tenant building, not attached to any other structures. This financial performance representation does not include information for Dual Concept Restaurants or Carl's Jr. restaurants operated from travel plazas, gas and convenience stores, colleges and universities, and airports. Further, Carl's Jr. restaurants located outside the United States are not included in this financial performance representation.

2. **Revenue.** Revenue includes all revenue from the sale of all services and products (except CJR-approved promotional items) and all other income of every kind and nature (excluding revenue from the sale of stored value gift cards or gift certificates but including revenue when gift certificates are redeemed or stored value gift cards are debited), whether for cash or credit and regardless of collection in the case of credit; provided, however, that Revenue does not include sales taxes or other taxes collected from customers by you for transmittal to the appropriate taxing authority.

Section II: FY26 Average Financial Performance

This Section II shows the average revenue and labor, food and paper costs as a percentage of average revenue for: (i) our California-based freestanding Carl's Jr. Restaurants operated by our franchisees and us (as company-operated restaurants); and (ii) our freestanding Carl's Jr. Restaurants located outside of California operated by our franchisees.

California Freestanding Restaurants

At the end of FY26 we had a total of 618 franchised and company-operated restaurants open and operating in California. The average financial performance information included in the tables below reflects results for 517 freestanding Carl's Jr. Restaurants operated in California by our franchisees and us (as company-operated restaurants) during FY26. Of the 517 California freestanding restaurants included in the tables below, 50 restaurants are company-operated restaurants, and 467 restaurants are franchised restaurants. Of the 101 restaurants excluded from this financial performance representation: (i) 15 restaurants operate from a travel plaza, gas and convenience store, college, university, toll plaza, or airport located in California— meaning, they do not operate from a freestanding location, (ii) 17 restaurants did not provide us with complete revenue, cost and expense data for the entire FY26 time period, and (iii) 69 are Dual Concept Restaurants.

FY26 Financial Performance Results California Franchised Carl's Jr. Freestanding Restaurants¹

Average Revenue ²	\$1,418,935
Median Revenue	\$1,352,088
# Met / Exceeded Average	207
% Met / Exceeded Average	44%
Lowest	\$630,973
Highest	\$3,227,326
Average Food & Paper Costs ³	22.4%
Median Food & Paper Costs	22.6%
# Met / Exceeded Average Food & Paper Costs	228

% Met / Exceeded Average Food & Paper Costs	49%
Average Direct Labor Costs ⁴	27.4%
Median Direct Labor Costs	27.7%
# Met / Exceeded Average Direct Labor Costs	225
% Met / Exceeded Average Direct Labor Costs	48%
Average Incentive Labor Costs ⁵	5.8%
Median Incentive Labor Costs	5.2%
# Met / Exceeded Average Incentive Labor Costs	267
% Met / Exceeded Average Incentive Labor Costs	57%

**FY26 Financial Performance Results
California Company-Owned Carl's Jr. Freestanding Restaurants¹**

Average Revenue ²	\$2,245,055
Median Revenue	\$2,144,360
# Met / Exceeded Average	20
% Met / Exceeded Average	40%
Lowest	\$1,375,834
Highest	\$4,276,440
Average Food & Paper Costs ³	24.9%
Median Food & Paper Costs	24.9%
# Met / Exceeded Average Food & Paper Costs	28
% Met / Exceeded Average Food & Paper Costs	56%
Average Direct Labor Costs ⁴	29.3%

Median Direct Labor Costs	29.1%
# Met / Exceeded Average Direct Labor Costs	31
% Met / Exceeded Average Direct Labor Costs	62%
Average Incentive Labor Costs ⁵	5.2%
Median Incentive Labor Costs	5.1%
# Met / Exceeded Average Incentive Labor Costs	30
% Met / Exceeded Average Incentive Labor Costs	60%

Non-California Freestanding Restaurants

At the end of FY26 we had a total of 374 franchised restaurants open and operating outside California. The average financial performance information included in the table below reflects results for 298 freestanding Carl's Jr. Restaurants that were operated outside of California by our franchisees. Of the 76 restaurants excluded from this financial performance representation: (i) 54 restaurants operate from a travel plaza, gas and convenience store, college, university, toll plaza, or airport located in California—meaning, they do not operate from a freestanding location, (ii) 21 restaurants did not provide us with complete revenue, cost and expense data for the entire FY26 time period, and (iii) 1 are Dual Concept Restaurants.

FY26 Financial Performance Results Non-California Franchised Carl's Jr. Freestanding Restaurants¹

Average Revenue ²	\$1,347,060
Median Revenue	\$1,223,571
# Met / Exceeded Average	118
% Met / Exceeded Average	40%
Lowest	\$477,605
Highest	\$3,229,205
Average Food & Paper Costs ³	26.1%
Median Food & Paper Costs	26.0%

# Met / Exceeded Average Food & Paper Costs	163
% Met / Exceeded Average Food & Paper Costs	55%
Average Direct Labor Costs ⁴	26.3%
Median Direct Labor Costs	25.9%
# Met / Exceeded Average Direct Labor Costs	163
% Met / Exceeded Average Direct Labor Costs	298
Average Incentive Labor Costs ⁵	5.9%
Median Incentive Labor Costs	5.7%
# Met / Exceeded Average Incentive Labor Costs	166
% Met / Exceeded Average Incentive Labor Costs	56%

Section II Table Notes

1. Freestanding Restaurants. The restaurants included in this financial performance representation are all freestanding Carl's Jr. Restaurants located in the United States. A Carl's Jr. restaurant is considered "freestanding" if it is located in a single tenant building, not attached to any other structures. This financial performance representation does not include information for Dual Concept Restaurants or Carl's Jr. restaurants operated from travel plazas, gas and convenience stores, colleges and universities, and airports. Further, Carl's Jr. restaurants located outside the United States are not included in this financial performance representation.
2. Revenue. Revenue includes all revenue from the sale of all services and products (except CJR-approved promotional items) and all other income of every kind and nature (excluding revenue from the sale of stored value gift cards or gift certificates but including revenue when gift certificates are redeemed or stored value gift cards are debited), whether for cash or credit and regardless of collection in the case of credit; provided, however, that Revenue does not include sales taxes or other taxes collected from customers by you for transmittal to the appropriate taxing authority.
3. Food and Paper Costs. Includes all food and paper costs, less any supplier rebates.
4. Direct Labor Costs. Direct labor costs include wages paid to hourly employees working in franchised and company-operated restaurants and the value of employer and payroll taxes.

5. **Indirect Labor Costs.** Indirect Labor Costs include wages paid to management employees working in franchised and company-operated restaurants and the value of associated benefits including, but not limited to, employer and payroll taxes, workers' compensation and expenses for vacation and health insurance. Indirect Labor Costs do not include labor costs for employees above the restaurant level – e.g., district managers.

* * *

Some restaurants have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.

Written substantiation of the financial performance representation will be made available to you upon reasonable request. However, we will disclose the identity, revenue or other items of income or expense of any particular Company-Operated Restaurant only in connection with the sale of that Company-Operated Restaurant.

You are responsible for developing your own business plan for your franchised restaurant, including capital budgets, financial statements, projections and other elements appropriate to your particular circumstances. We encourage you to consult with your own accounting, business and legal advisors and to make necessary allowances for changes in financial results to income, expenses or both. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised restaurant. Franchisees or former franchisees listed in the disclosure document may be one source of this information.

Other than the preceding financial performance representation, 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 Kerry Olson, Chief People and Legal Officer, 6700 Tower Circle, Suite 1000, Franklin, TN 37067, (615) 538-9260, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
Systemwide Restaurant Summary
For Fiscal Years 2024-2026⁽¹⁾**

Restaurant Type	Year	Restaurants at Start of the Year	Restaurants at End of the Year	Net Change
Franchised	2024	1020	1014	-6
	2025	1014	982	-32
	2026	982	942	-40
Company-Operated	2024	49	49	0
	2025	49	50	+1
	2026	50	50	0