

## **ITEM 18** **PUBLIC FIGURES**

We do not currently use any public figure to promote our franchise. No public figure is currently involved in our management.

## **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) Company Owned Outlet – means an Outlet owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document. A Company Owned Outlet also includes any Outlet that is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document, or that is managed by us our affiliate or any person identified in Item 2.
- (c) Franchise Outlet – refers to a Tapioca Express operated under a Franchise Agreement that is not a Company Owned Outlet.
- (d) Gross Sales – means the total revenue derived by an Outlet, less sales tax, discounts, allowances and returns.
- (e) Half – refers to the relative performance of a Company Owned Outlet or a Franchise Outlet, as the context requires. The “Top Half” refers to the top 50% of either all Operational Company Owned Outlets or all Operational Franchise Outlets, as the context requires, based on Gross Sales. The “Bottom Half” refers to the bottom 50% of all Operational Company Owned Outlets or all Operational Franchise Outlets, as the context requires, based on Gross Sales.
- (f) 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.
- (g) New Company Owned Outlet – means, as to a particular Reporting Period, a Company Owned Outlet that for the first time opened and commenced operations during the Reporting Period. For example, if a Company Owned Outlet first opened for business in February 2024, as to the 2024 Reporting Period (June 1, 2023 to May 31, 2024), the Company Owned Outlet would qualify as a New Company Owned Outlet and not as an Operational Company Owned Outlet, see definition below. If this Company Owned Outlet remained in operation throughout the 2025 Reporting Period (June 1, 2024 to May 31, 2025), it would

qualify as an Operational Company Owned Outlet during the 2025 Reporting Period.

(h) New Franchise Outlet – means, as to a particular Reporting Period, a Franchise Outlet that for the first time opened and commenced operations during the Reporting Period. For example, if a Franchise Outlet first opened for business in February 2024, as to the 2024 Reporting Period (June 1, 2023 to May 31, 2024), the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet (defined below). If this Franchise Outlet remained in operation throughout the 2025 Reporting Period (June 1, 2024 to May 31, 2025), it would qualify as an Operational Franchise Outlet during the 2025 Reporting Period.

(i) Operational Company Owned Outlet – means, as to a particular Reporting Period, a Company Owned Outlet that was open and in operation on or prior to the commencement of the Reporting Period. For example, if a Company Owned Outlet first opened for business in February 2024, as to the 2024 Reporting Period (June 1, 2023 to May 31, 2024), the Company Owned Outlet would qualify as a New Company Owned Outlet (defined above), and not as an Operational Company Owned Outlet. If this Company Owned Outlet remained in operation throughout the 2025 Reporting Period (June 1, 2024 to May 31, 2025), it would qualify as an Operational Company Owned Outlet during the 2025 Reporting Period.

(j) Operational Franchise Outlet – means, as to a particular Reporting Period, a Franchise Outlet that was open and in operation on or prior to the commencement of the Reporting Period. For example, if a Franchise Outlet first opened for business in February 2024, as to the 2024 Reporting Period (June 1, 2023 to May 31, 2024), the Franchise Outlet would qualify as a New Franchise Outlet, see definition above, and not as an Operational Franchise Outlet. If this Franchise Outlet remained in operation throughout the 2025 Reporting Period (June 1, 2024 to May 31, 2025), it would qualify as an Operational Franchise Outlet during the 2025 Reporting Period.

(k) Outlet – refers to a Company Owned Outlet or a Franchise Outlet, as the context requires.

(l) Reporting Period – means, as to each respective year, the 12-month period commencing on June 1 and ending on May 31. For purposes of clarity, the Reporting Period that commenced on June 1, 2024 and ended on May 31, 2025 is referred to as the “2025 Reporting Period”.

### **BASES AND ASSUMPTIONS**

The financial information was not prepared on a basis consistent with generally accepted accounting principles. Data for our Operational Company Owned Outlet is based on information reported to us by our affiliate. 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.

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## **COMPANY OWNED OUTLETS**

During the 2025 Reporting Period, we had two Operational Company Owned Outlets. Below in Table 1 we report select financial performance data as to our two Operational Company Owned Outlets during the 2025 Reporting Period.

Table 1

<b>System-Wide Operational Company Owned Outlets Gross Sales by Halves for the 2025 Reporting Period <sup>1</sup></b>						
<b>Reporting Period</b>	<b>Half</b>	<b>Average</b>	<b>Number and Percentage of Outlets Above Average</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
2025	Top Half	\$552,395	1/1 (100%)	\$552,395	\$552,395	\$552,395
	Bottom Half	\$268,053	1/1 (100%)	\$268,053	\$268,053	\$268,053

Notes to Table:

<sup>1</sup> The 2025 Reporting Period data compiled in this Table 1 is based on a total of two Operational Company Owned Outlets.

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## **FRANCHISE OUTLETS**

During the 2025 Reporting Period, we had a total of 17 Franchise Outlets, of which 15 were open for the full 2025 Reporting Period, and therefore qualified as Operational Franchise Outlets for the 2025 Reporting Period. For the 2025 Reporting Period, we have excluded data for 2 Franchise Outlets because they closed during the 2025 Reporting Period and were therefore not open for the full 2025 Reporting Period. Neither of our two Franchise Outlets that closed during the 2025 Reporting Period were open for less than 12 months.

Below in Table 2 we report data as to the Gross Sales of our Operational Franchise Outlets, including average, high, median and low Gross Sales.

Table 2

<b>System-Wide Operational Franchise Outlets Gross Sales by Halves for the 2025 Reporting Period</b>						
<b>Reporting Period</b>	<b>Half</b>	<b>Average</b>	<b>Number and Percentage of Outlets Above Average</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
2025 <sup>1</sup>	Top Half	\$1,157,936	1/7 (14.29%)	\$919,952	\$3,267,476	\$576,391
	Bottom Half	\$324,124	3/8 (37.50%)	\$295,263	\$467,844	\$240,000

Notes to Table:

<sup>1</sup> The 2025 Reporting Period data compiled in this Table 2 is based on a total of 15 Operational Franchise Outlets. We did not include data for 2 Franchise Outlets that closed during the 2025 Reporting Period and that were not open for the full 2025 Reporting Period.

**Some Outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.**

Written substantiation for the foregoing financial performance representation will be made available upon reasonable request.

Other than the preceding financial performance representations, Tapioca Express, Inc. 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 Cheng Wei Lin at 1908 Central Avenue, South El Monte, California 91733 and (626) 453-0777, 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 ENDING MAY 31, 2023, 2024 AND 2025**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	25	23	-2
	2024	23	17	-6
	2025	17	13	-4
Company Owned	2023	2	2	0
	2024	2	2	0
	2025	2	2	0
Total Outlets	2023	27	25	-2
	2024	25	19	-6
	2025	19	15	-4

**TABLE NO. 2**  
**TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS**  
**(OTHER THAN THE FRANCHISOR)**  
**FOR YEARS ENDING MAY 31, 2023, 2024 and 2025**

State	Year	Number of Transfers
None	2023	1
	2024	1
	2025	0

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