

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATION

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.

Chart 1: Overall Franchise Sales Growth. The following chart shows revenue growth over the last three fiscal years (fiscal year 2023, 2024 and 2025) for three hundred and ninety (390) franchised Qdoba restaurants that were open and franchisee operated for all three fiscal years. We excluded information for 13 Canadian restaurants, 123 non-traditional restaurants, 5 refranchised restaurants, 38 restaurants that newly opened in our last fiscal year, and 81 restaurants that were closed more than 21 days. The data is based on unaudited sales information transmitted to us through the point-of-sale systems.

Year	Date Range	Same Store Sales	Average Net Sales	Year-over-Year Growth	Same Store Sales Unit Count Included
FY 2023 ⁽¹⁾	10/3/2022 - 10/1/2023	\$ 608,065,441	\$ 1,559,142	5.6%	390
FY 2024 ⁽²⁾	10/2/2023 - 9/29/2024	\$ 656,327,176	\$ 1,682,890	7.9%	
FY 2025 ⁽³⁾	9/30/2024 - 9/28/2025	\$ 689,075,573	\$ 1,766,860	5.0%	

- (1) For FY 2023, the median net sales were \$1,476,793, high net sales were \$4,708,597, and low net sales were \$431,709.
- (2) For FY 2024, the median net sales were \$1,607,864, high net sales were \$5,492,729, and low net sales were \$417,422.
- (3) For FY 2025, the median net sales were \$1,647,607, high net sales were \$5,078,990, and low net sales were \$422,629.

Chart 2: Franchised Qdoba Restaurants - Historical Average Net, Median and Low / High Restaurant Net Sales. The following figures represent the average, median, and low / high net restaurant sales for certain franchised Qdoba restaurants for the trailing twelve months ended September 28, 2025. We included four hundred and sixty-four (464) franchised Qdoba restaurants that were open and franchisee operated for at least one (1) year as of September 28, 2025. We excluded information for the following Qdoba restaurants: 123 non-traditional restaurants, 5 refranchised restaurants, 38 restaurants that newly opened in our last fiscal year, 13 Canadian restaurants, and 7 restaurants that were closed twenty-one (21) or more operating days in the reported period. The data is based on unaudited sales information transmitted to us through the point-of-sale systems.

Franchised Restaurant Quartiles	Average Net Sales	Number and % of Restaurants Attaining or Exceeding Average Net Sales		Median Net Sales	Lowest Net Sales	Highest Net Sales
Top Quartile	\$2,573,684	42 / 116	36.2%	\$2,450,334	\$2,110,176	\$5,078,990
2nd Quartile	\$1,833,353	56 / 116	48.3%	\$1,859,571	\$1,597,145	\$2,109,725
3rd Quartile	\$1,412,582	61 / 116	52.6%	\$1,421,970	\$1,241,292	\$1,596,376
Bottom Quartile	\$969,398	65 / 116	56.0%	\$1,007,528	\$411,191	\$1,227,584
Total	\$1,697,254	201 / 464	43.3%	\$1,596,761	\$411,191	\$5,078,990

Chart 3: Franchised Qdoba Restaurants - Historical Sales, Certain Costs, and EBITDA.

The following data represents the sales and certain operating costs for three hundred and ninety-seven (397) traditional franchised Qdoba restaurants which have reported financial information through our online portal for a trailing twelve-month period. The trailing twelve month period for the reported data varies as follows: 166 franchised Restaurant reporting for the trailing twelve month period ended September 28, 2025; 118 franchised Restaurant reporting for the trailing twelve month period ended August 31, 2025, 61 franchised restaurants reporting for the trailing twelve month period ended August 3, 2025, 6 franchised restaurants reporting for the trailing twelve month period ended July 6, 2025, 3 franchised restaurants reporting for the trailing twelve month period ended May 11, 2025, 12 franchised restaurants reporting for the trailing twelve month period ended April 13, 2025, 29 franchised restaurants reporting for the trailing twelve month period ended March 16, 2025, and 2 franchised Restaurant reporting for the trailing twelve month period ended January 19, 2025. These franchised Restaurants were open for at least one (1) year as of the end of the respective trailing twelve-month period and were not closed for twenty-one (21) or more operating days during that period. The information was not audited. We excluded information for the following Qdoba restaurants: 128 non-traditional restaurants, 5 refranchised restaurants, 38 restaurants that newly opened in our last fiscal year, 13 Canadian restaurants, 7 restaurants that were closed twenty-one (21) or more operating days in the reported period and 64 restaurants that have not yet loaded data in our online portal.

Historical Average Sales, Selected Costs and Operating Results for 397 Franchised Restaurants for 12-month periods

Category	Average	% of Net Sales	Number and % of Restaurants Attaining or Exceeding Average	Median	Low	High
Net Restaurant Sales ⁽¹⁾	\$1,661,277	100%	171 / 397 43.1%	\$1,544,533	\$407,677	\$5,149,602
RESTAURANT ⁽²⁾ COST OF SALES:						

Category	Average	% of Net Sales	Number and % of Restaurants Attaining or Exceeding Average	Median	Low	High
Cost of Sales ⁽³⁾	\$458,997	27.6%	163 / 397 41.1%	\$420,311	\$118,783	\$1,414,766
Salaries and Benefits ⁽⁴⁾	\$ 446,077	26.9%	170 / 397 42.8%	\$ 416,357	\$147,981	\$1,205,376
Other Operating Expenses ⁽⁵⁾	\$227,584	13.7%	162 / 397 40.8%	\$210,787	\$62,650	\$715,789
Occupancy Costs ⁽⁶⁾	\$124,674	7.5%	174 / 397 43.8%	\$117,377	\$62,583	\$346,970
Royalty Fee ⁽⁷⁾	\$83,064	5.0%	171 / 397 43.1%	\$77,227	\$20,384	\$257,480
Advertising Fee ⁽⁷⁾	\$66,451	4.0%	171 / 397 43.1%	\$46,336	\$12,230	\$154,488
Total Cost of Revenues ⁽⁸⁾	\$1,406,847	84.7%	169 / 397 42.6%	\$1,303,835	\$488,481	\$4,094,869
Proforma Franchisee EBITDA – including fees	\$254,430	15.3%	178 / 397 44.8%	\$246,001	(\$214,733)	\$1,054,733
Add Back Royalty Fee	\$ 83,064	5.0%	171 / 397 43.1%	\$77,227	\$20,384	\$257,480
Add Back Advertising Fee	\$66,451	4.0%	171 / 397 43.1%	\$46,336	\$12,230	\$154,488
Franchise EBITDA – Pre-Fees	\$403,945	24.3%	178 / 397 44.8%	\$369,361	(\$140,487)	\$1,466,701

(1) Sales are reported on a Net Restaurant Sales basis to ensure consistency in reporting in our online portal. Net Restaurant sales figures represent all food, beverage, and catering sales, but do not include sales or service taxes less promotion costs relating to the dollar amount of coupons, other promotional discounts, and manager-complimentary items.

(2) Restaurant Cost of Sales section excludes depreciation and amortization expenses.

(3) Costs of sales include cost of food, paper, and other packaging costs, net of any applicable vendor rebates. The costs of sales may vary considerably based on the geographical areas in which you operate and those serviced by our approved suppliers and distributors.

(4) Salaries and benefits include wages paid to management (but does not include any wages or overhead above the store management level) and employees of the restaurant, including shift supervisors; management bonuses; payroll taxes; the cost of group insurance; workers compensation; vacation; and other employee benefits.

(5) Other operating expenses include repairs and maintenance, smallwares, cleaning supplies, office supplies, POS maintenance, pest control, delivery charges, credit card processing fees, bank charges, telephone and internet expenses, trash services, equipment rental, property and liability insurance, security expenses, license and business taxes, cost of utilities, and other miscellaneous expenses.

(6) Occupancy Costs includes base rent, percentage rent, common area maintenance, real estate taxes, personal property taxes, landlord-billed insurance, and other miscellaneous lease expenses. Three franchised Qdoba restaurants had no reported lease expense because the franchise purchased the real estate; we utilized the average percent of sales expense (7.5%) for lease costs for those restaurants in Chart 3.

(7) The Royalty Fee is defined in Item 6 of this disclosure document. Advertising Fees reflect the combined Marketing Fee and Local Advertising requirement for the fiscal year ended September 28, 2025, of 4.0%. Advertising Fees were increased to a combined 4.5% on September 29, 2025.

(8) This amount does not include certain fees and expenses you pay which include, but are not limited to, development fees, franchise fees, and administrative costs.

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

We encourage you to review this material with your attorney or accountant. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Except for the information in this Item 19, we do 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 Mel Tucker, Chief Financial Officer, 350 Camino de la Reina, San Diego, Suite 400, California, 92108, (858) 766-4900, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table 1
System-Wide Outlet Summary
For Fiscal Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2023	447	571	+124
	2024	571	613	+42
	2025	613	652	+39
Company-Owned Outlets	2023	286	176	-110
	2024	176	164	-12
	2025	164	175	+11
Total Outlets	2023	733	747	+14
	2024	747	777	+30
	2025	777	827	+50

Table 2
Transfers of Outlets from Franchisees to New Owners
(Other than the Franchisor)
For Fiscal Years 2023 to 2025

State	Year	Number of Transfers
California	2023	0
	2024	0
	2025	1
Minnesota	2023	4
	2024	0
	2025	0
Missouri	2023	1
	2024	0
	2025	0
North Carolina	2023	0
	2024	0
	2025	9
Pennsylvania	2023	0
	2024	0
	2025	1
Manitoba, Canada	2023	0
	2024	1
	2025	0
TOTAL	2023	5
	2024	1
	2025	11