

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose 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 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 performance at a particular location or under particular circumstances.

We provide below in three tables historical data relating to the sales for franchised and company-owned Einstein Bros. restaurants as well as certain types of expenses for company-owned and operated Einstein Bros. restaurants. The company-owned restaurants are operated by our affiliate, ENC. Please read the following information in conjunction with your review of the historical data.

The information presented in this Item 19 is a compilation of financial information that has not been audited.

The Sales Distributions and Cost Factors should be read together with all of the related information about the factual bases and material assumptions underlying them. You should construct your own pro forma cash flow statement and make your own financial projections regarding potential sales, operating cost factors, capital investment requirements and liquid cash requirements for your proposed restaurant.

You are strongly advised to perform an independent investigation of this opportunity to determine whether or not the franchise may be profitable, and to consult your attorney and other professional advisors before entering into a Franchise Agreement or Area Development Agreement.

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Discussion of Historical Sales Distribution and Cost Factor Information for Einstein Bros. Bagels Restaurants

Basis and Assumptions. The sales and expense information that follows has been compiled using unaudited financial data from company-owned Einstein Bros. Bagels Restaurants (which represents 100% of those restaurants that were open for the entire year during our last fiscal year, which started on January 1, 2025 and ended on December 30, 2025) (“**Sales Distribution**”), and selected cost factors for the same period (“**Cost Factors**”). Einstein Bros. Bagels Restaurants open for less than the full year were not included. There were franchised and company-owned Einstein Bros. Bagels Restaurants that were not included because they were not open for the entire fiscal year. The information in the charts below contains certain operating results for ENRG’s last two fiscal years.

The data provided in this Item 19 are based on results during our last fiscal year (ended December 31, 2024).

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

Sales Distribution. Table 1 below organizes the information based on the sales volume of the franchised and company-owned Einstein Bros. Bagels Restaurants for the 53-week period that started on January 1, 2025 and ended on December 30, 2025.

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Table 1

Sales Distribution Information

Annual Gross Sales Levels during the 52-week period
from January 1, 2025 to December 30, 2025
(Please read Table 1 together with the notes that follow)

	Company-Owned Restaurants (Note A)			Franchised Restaurants (Note B)		
	Company-Owned Restaurants at this Gross Sales Level%	Cumulative Percentage of Company-Owned Restaurants at this Gross Sales Level	Number of Company-Owned Restaurants at this Gross Sales Level	Franchised Restaurants at this Gross Sales Level %	Cumulative Percentage of Franchised Restaurants at this Gross Sales Level	Number of Franchised Restaurants at this Gross Sales Level
\$1,100,000 and Above	50.7%	50.7%	175	46.0%	46.0%	29
\$1,000,000 - \$1,100,000	10.7%	61.4%	37	14.3%	60.3%	9
\$900,000 - \$1,000,000	10.1%	71.6%	35	6.3%	66.7%	4
\$800,000 - \$900,000	11.9%	83.5%	41	11.1%	77.8%	7
\$700,000 - \$800,000	10.1%	93.6%	35	7.9%	85.7%	5
\$600,000 - \$700,000	3.8%	97.4%	13	4.8%	90.5%	3
Below \$600,000	2.6%	100.0%	9	9.5%	100.0%	6
Total number of units			345			63

<u>Company-Owned Restaurants</u> (Note C)	<u>Franchised Restaurants</u> (Note C)
"Median Gross Sales: \$1,107,540	Median Gross Sales: \$1,033,905
Average Gross Sales: \$1,177,470	Average Gross Sales: \$1,083,972

Notes to Table 1:

- A. The number of Company-Owned Restaurants that achieved or surpassed the Average Gross Sales figure in Table 1 was 150 out of 345 (43%). The Company-Owned Restaurant with the highest Gross Sales was \$3,293,452 and the lowest Gross Sales was \$465,124.
- B. The number of Franchised Restaurants that achieved or surpassed the Average Gross Sales figure in Table 1 was 29 out of 63 (46%). The Franchised Restaurant with the highest Gross Sales was \$2,097,619, and the lowest Gross Sales was \$422,554.

- C. The results in Table 1 were for 345 Company-Owned Restaurants and 63 Franchised Restaurants, that represented the Restaurants that were open for all of the 2025 fiscal year. Excluded from this chart were 50 Company-Owned Restaurants and 6 Franchised Restaurants open for only part of the 2025 fiscal year, including temporary closures.
- D. “Gross Sales” means all revenue that you derive from operating the Restaurant, whether from cash, check, credit and debit card, or otherwise, but excluding all taxes actually collected from customers and paid to the appropriate taxing authority, revenue derived from selling or issuing gift or loyalty cards (but not revenue received from selling products to customers who use such cards for payment), and refunds and credits you in good faith give to Restaurant customers (if those amounts originally were included in calculating Gross Sales).
- E. We have further broken down the gross sales volumes for Company-Owned and Franchised Restaurants – both with and without a drive-thru:

	With Drive-Thru		Without Drive-Thru	
	Company-Owned Restaurants	Franchised Restaurants	Company-Owned Restaurants	Franchised Restaurants
Average Gross sales volume	\$1,268,209	\$1,274,009	\$1,159,511	\$967,027
Median Gross Sales	\$1,214,222	\$1,291,643	\$1,087,067	\$888,807
Number of units – total	57	24	288	39
Number of units – at or above the average	25	13	119	17
Highest Gross Sales unit	\$2,384,736	\$2,097,619	\$3,293,452	\$1,743,348
Lowest Gross Sales unit	\$639,562	\$661,214	\$465,124	\$422,554
Percentage of units – at or above the average	44%	54%	41%	44%

Table 2
2025 Cost Factors:

Table 2 below organizes the information based on the cost factors incurred at the 345 company-owned Einstein Bros. Bagels Restaurants operated during the entire fiscal year that ended December 30, 2025.

Table 2: 2025 Cost Factors (Note A) (Please read Table 2 together with the notes that follow)								
Reference And Item Description	Restaurants With Gross Sales over \$950,000		Restaurants With Gross Sales Between \$750,000 - \$950,000		Restaurants With Gross Sales below \$750,000		Concept Average Restaurant	
	Avg Amount (\$)	% of Avg Net	Avg Amount (\$)	% of Avg Net	Avg Amount (\$)	% of Avg Net	Avg Amount (\$)	% of Avg Net
B Gross Revenue	1,377,394	104.6%	854,839	104.3%	653,945	104.2%	1,177,470	104.5%
C Discounts	60,172	4.6%	35,064	4.3%	26,234	4.2%	50,659	4.5%
D Gross Sales	1,317,222	100.0%	819,775	100.0%	627,711	100.0%	1,126,811	100.0%
E Total Cost of Products Sold	318,488	24.2%	207,994	25.4%	167,932	26.8%	276,487	24.5%
Gross Margin	998,735	75.8%	611,781	74.6%	459,779	73.2%	850,324	75.5%
F Total Labor Expenses	353,922	26.9%	248,325	30.3%	203,581	32.4%	313,053	27.8%
G Other Operating Expenses	160,937	12.2%	117,850	14.4%	99,339	15.8%	144,232	12.8%
Profit After Operating Expenses	483,876	36.7%	245,606	30.0%	156,859	25.0%	393,039	34.9%
H Non-Operating Expenses	216,807	16.5%	159,577	19.5%	131,160	20.9%	194,186	17.2%
I Cash Flow	267,069	20.3%	86,028	10.5%	25,699	4.1%	198,853	17.6%

Table 2: 2025 Cost Factors (Note A)
(Please read Table 2 together with the notes that follow)

Reference And Item Description	Restaurants With Gross Sales over \$950,000		Restaurants With Gross Sales Between \$750,000 - \$950,000		Restaurants With Gross Sales below \$750,000		Concept Average Restaurant	
	Avg Amount (\$)	% of Avg Net	Avg Amount (\$)	% of Avg Net	Avg Amount (\$)	% of Avg Net	Avg Amount (\$)	% of Avg Net
Adjustments for Franchisee Expenses (Note J)								
Imputed Royalties (5% Gross Sales)	68,870	5.2%	42,742	5.2%	32,697	5.2%	58,874	5.2%
J Adjusted Cash Flow (after Franchisee Expenses)	198,200	15.0%	43,286	5.3%	-6,998	-1.1%	139,979	12.4%

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Notes to Table 2:

- A. The information provided in Table 2 Cost Factors chart is for a total of 345 company-owned Einstein Bros. Bagels Restaurants that were open for the entire 2025 fiscal year, that were operated by our affiliate, ENC.

These cost factors are based on ENC’s experience operating company-owned Restaurants, and should not be considered as the actual or potential costs that you will incur. We do not provide cost information for franchised or licensed Restaurants because we do not receive enough information from our franchisees and licensees to reliably do so. Please also note that in addition, because these are the results of company-owned restaurants, these figures do not include costs that a franchisee will incur, such as royalties and the amortized portion of the initial franchise fee (if it was financed).

The figures shown in the columns under the heading “Avg Amount (\$)” are the arithmetic mean (average) of the results of the cost factors (and other items listed in the first column).

- B. Gross revenue includes all sales of food, beverages, and promotional items, and the dollar amount of coupons, employee discounts, and other promotional discounts, but excludes all sales and service taxes.
- C. Discounts consist of the dollar amount of coupons, employee discounts, and other promotional discounts.
- D. Gross Sales includes all sales of food, beverages, and promotional items, but excludes all sales and service taxes, and the dollar amount of coupons, employee discounts, and other promotional discounts. Please see the following additional information regarding the Gross Sales identified in Table 2:

	Restaurants with Gross Sales over \$950,000	Restaurants with Gross Sales between \$750,000-\$950,000	Restaurants with Gross Sales below \$750,000	Concept Average Restaurant
Median Gross Sales	\$1,291,331	\$856,714	\$678,643	\$1,107,540
Highest Gross Sales	\$3,293,452	\$975,595	\$786,009	\$1,291,331
Lowest Gross Sales	\$955,462	\$756,162	\$465,124	\$465,124

- E. Total cost of products sold includes the cost of food, paper, and other products.
- F. Labor includes hourly and salaried employee compensation, bonuses, taxes, and benefits.
- G. Other operating expenses include utilities, ordinary operating maintenance and repairs, unplanned maintenance and repairs, supplies, and other miscellaneous operating expenses.

- H. Non-operating expenses include rent and other occupancy expenses, marketing, insurance, and other miscellaneous expenses, but exclude depreciation.
- I. Store Cash Flow = Profit After Operating Expenses less Non-Operating Expenses (which excludes depreciation), which is not a measure in accordance with generally accepted accounting principles.
- J. The Adjustments for Franchisee Expenses are for a cost (royalties) that we did not incur for our own company-owned units, but that a franchisee would incur. Because we operate many company-owned units, we may have some labor-related efficiencies in the operation of our company-owned units that are not available to franchisees, but otherwise we do not anticipate financial and operational characteristics of company-owned Restaurants that differ materially from franchised Restaurants.

Other costs, as described below, have been excluded from this discussion, as we consider that differences in accounting and business practices would make comparative analysis inconclusive or misleading. You will incur other substantial costs in the operation of your Restaurant that are not included in this discussion, including, among others, local marketing expenses, mortgage or other debt/financing costs, computer upgrades, renovations, improvements, and major repair/maintenance expenses, legal and professional fees, income and other non-real estate taxes, and various other expenses (together, these are referred to as “**Additional Costs**”). You will incur Additional Costs and should determine and account, for yourself, the Additional Costs that you will have to have to pay.

Substantiation

Written substantiation of the data used in preparing the information in this Item is on file at our offices and will be made available to you upon reasonable request.

Other than the preceding financial performance representation, Einstein Bros. Bagels Franchise Corporation does 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 our management by contacting Matthew Copenhaver at 1720 S. Bellaire Street, Suite Skybox, Denver, Colorado 80222 (303-568-8000), the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Part I: The Einstein Bros. Bagels Franchise System

Table 1:
Systemwide Einstein Bros. Bagels Franchised Restaurant Outlet Summary For Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	56	56	0
	2024	56	63	7
	2025	63	69	6
Company Owned	2023	323	329	6
	2024	329	352	23
	2025	352	395	43
Total Outlets	2023	379	385	6
	2024	385	415	30
	2025	415	464	49

Table 2:
Transfers of Einstein Bros. Bagels Franchised Restaurants from Franchisees to New Owners (other than Franchisor)
For Years 2023 to 2025

State	Year	Number of Transfers
California	2023	0
	2024	1
	2025	0
Georgia	2023	0
	2024	0
	2025	1
Total	2023	0
	2024	1
	2025	1