

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) Calendar Year – means, as to each respective year, the 12 month period commencing on January 1 and ending on December 31.
- (c) 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 and that is managed by us our affiliate or any person identified in Item 2.
- (d) Food Cost – means the direct costs incurred by the Outlet for all food and beverage ingredient items that are used in preparing a menu item. “Food Cost” includes the cost of paper goods used to serve the menu items but does not include Labor Cost or other expenses.
- (e) Franchise Outlet – refers to a West Coast Sourdough Restaurant operated under a Franchise Agreement that is not a Company Owned Outlet.
- (f) Gross Profit – means Gross Sales less Food Cost and Labor Cost. Gross Profit is not net profit or income and, except as to Food Cost and Labor Cost, does not include the deduction of all other expenses incurred by a West Coast Sourdough Restaurant including, but not limited to, payroll taxes, employee benefits, operating expenses (including, but not limited to, rent, utilities, marketing, training, insurance, professional fees, maintenance, administrative and operational expenses), interest, taxes, depreciation, and amortization.
- (g) Gross Sales – means the total revenue derived by each West Coast Sourdough Restaurant less sales tax, discounts, allowances and returns.
- (h) Labor Cost – means the gross wages paid to employees in connection with the preparation and service of menu items. “Labor Cost” includes gross wages paid to general managers and assistant managers.
- (i) 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.
- (j) New Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2020, as to the 2020 Calendar Year, the Franchise Outlet would qualify as

a New Franchise Outlet and not as an Operational Franchise Outlet, see definition below. If this Franchise Outlet remained in operation throughout the 2021 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2021 Calendar Year.

(k) Operational Franchise Outlet(s) – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation prior to the commencement of the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2020, as to the 2020 Calendar Year, 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 2021 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2021 Calendar Year.

(l) Outlet – refers to a West Coast Sourdough Restaurant that is either a Company Owned Outlet or a Franchise Outlet, as the context requires.

BASES AND ASSUMPTIONS

The financial information was not prepared on a basis consistent with generally accepted accounting principles. We do not have any Company Owned Outlets as of the Issuance Date of this Disclosure Document. Data for our Operational Franchise Outlets are based on financial 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.

ANALYSIS OF RESULTS OF FRANCHISE OUTLETS

During the 2023 Calendar Year we had a total of 35 Franchise Outlets. Of the 35 Franchise Outlets, 25 qualified as Operational Franchise Outlets and 11 qualified as New Franchise Outlets. We exclude the data of for one Franchise Outlet that ceased operations during the 2023 Calendar Year and does not qualify as an Operational Franchise Outlet. The data provided below is limited to our Operational Franchise Outlets. We exclude the financial performance information of our New Franchise Outlets because they were not open and in operation for the entire duration of the 2023 Calendar Year and not representative of the Franchised Business. Our Franchise Outlets are further described below:

Table 1

Operational Franchise Outlets	
Franchise Outlet	Description
Franchise Outlet 1	This Franchise Outlet opened in March 2020, operates in an approximate 1,100 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 2	This Franchise Outlet opened in March 2020, operates in an approximate 1,050 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 3	This Franchise Outlet opened in March 2020, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 4	This Franchise Outlet opened in March 2020, operates in an approximate 1,250 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 5	This Franchise Outlet opened in June 2020, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 6	This Franchise Outlet opened in July 2020, operates in an approximate 1,400 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 7	This Franchise Outlet opened in August 2020, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 8	This Franchise Outlet opened in April 2021, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.

Franchise Outlet 9	This Franchise Outlet opened in May 2021, operates in an approximate 1,200 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 10	This Franchise Outlet opened in September 2021, operates in an approximate 1,350 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 11	This Franchise Outlet opened in October 2021, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 12	This Franchise Outlet opened in November 2021, operates in an approximate 1,250 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 13	This Franchise Outlet opened in December 2021, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 14	This Franchise Outlet opened in December 2021, operates in an approximate 1,250 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 15	This Franchise Outlet opened in January 2022, operates in an approximate 1,700 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 16	This Franchise Outlet opened in February 2022, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 17	This Franchise Outlet opened in March 2022, operates in an approximate 1,400 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 18	This Franchise Outlet opened in April 2022, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 19	This Franchise Outlet opened in May 2022, operates in an approximate 1,200 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 20	This Franchise Outlet opened in August 2022, operates in an approximate 1,900 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 21	This Franchise Outlet opened in August 2022, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 22	This Franchise Outlet opened in October 2022, operates in an approximate 1,200 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 23	This Franchise Outlet opened in October 2022, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 24	This Franchise Outlet opened in October 2022, operates in an approximate 1,250 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 25	This Franchise Outlet opened in November 2022, operates in an approximate 1,700 square foot Restaurant facility, and is representative of the Franchised Business.

Below we report select financial performance data as to our Operational Franchise Outlets during the respective Calendar Year.

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Table 2

Operational Franchise Outlet 1		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$591,341	100.00%
Less:		
Food Cost	\$167,349	28.30%
Labor Cost	\$142,120	24.03%
Gross Profit	\$281,872	47.67%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 29,567	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 5,913	1.00%
POS System Fee ⁵	\$ 3,840	0.65%
Gross Profit After Franchise Related Expenses	\$242,552	41.02%

Table 3

Operational Franchise Outlet 2		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$332,921	100.00%
Less:		
Food Cost	\$104,870	31.50%
Labor Cost	\$ 58,960	17.71%
Gross Profit	\$169,091	50.79%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 16,646	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 3,329	1.00%
POS System Fee ⁵	\$ 3,840	1.15%
Gross Profit After Franchise Related Expenses	\$145,276	43.64%

Table 4

Operational Franchise Outlet 3		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$914,109	100.00%
Less:		
Food Cost	\$268,747	29.40%
Labor Cost	\$178,200	19.49%
Gross Profit	\$467,162	51.11%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 45,705	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 9,141	1.00%
POS System Fee ⁵	\$ 3,840	0.42%
Gross Profit After Franchise Related Expenses	\$408,476	44.69%

Table 5

Operational Franchise Outlet 4		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$697,459	100.00%
Less:		
Food Cost	\$205,750	29.50%
Labor Cost	\$195,829	28.08%
Gross Profit	\$295,880	42.42%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 34,872	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 6,975	1.00%
POS System Fee ⁵	\$ 3,840	0.55%
Gross Profit After Franchise Related Expenses	\$250,193	35.87%

Table 6

Operational Franchise Outlet 5		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$494,518	100.00%
Less:		
Food Cost	\$138,959	28.10%
Labor Cost	\$ 78,321	15.84%
Gross Profit	\$227,238	56.06%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 24,726	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 4,945	1.00%
POS System Fee ⁵	\$ 3,840	0.77%
Gross Profit After Franchise Related Expenses	\$243,727	49.29%

Table 7

Operational Franchise Outlet 6		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$741,046	100.00%
Less:		
Food Cost	\$223,795	30.20%
Labor Cost	\$139,923	18.88%
Gross Profit	\$337,328	50.92%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 37,052	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 7,410	1.00%
POS System Fee ⁵	\$ 3,840	0.52%
Gross Profit After Franchise Related Expenses	\$329,026	44.40%

Table 8

Operational Franchise Outlet 7		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$409,502	100.00%
Less:		
Food Cost	\$119,574	29.20%
Labor Cost	\$ 80,081	19.56%
Gross Profit	\$209,847	51.24%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 20,475	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 4,095	1.00%
POS System Fee ⁵	\$ 3,840	0.94%
Gross Profit After Franchise Related Expenses	\$178,122	43.50%

Table 9

Operational Franchise Outlet 8		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$355,113	100.00%
Less:		
Food Cost	\$115,056	32.40%
Labor Cost	\$111,320	31.35%
Gross Profit	\$128,737	36.25%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 17,775	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 3,551	1.00%
POS System Fee ⁵	\$ 3,840	1.08%
Gross Profit After Franchise Related Expenses	\$103,571	29.17%

Table 10

Operational Franchise Outlet 9		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$550,736	100.00%
Less:		
Food Cost	\$165,771	30.10%
Labor Cost	\$140,892	25.58%
Gross Profit	\$244,073	44.32%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 27,537	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 5,507	1.00%
POS System Fee ⁵	\$ 3,840	0.70%
Gross Profit After Franchise Related Expenses	\$207,189	37.62%

Table 11

Operational Franchise Outlet 10		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$1,401,401	100.00%
Less:		
Food Cost	\$393,793	28.10%
Labor Cost	\$288,645	20.60%
Gross Profit	\$718,963	51.30%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 70,070	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 14,014	1.00%
POS System Fee ⁵	\$ 3,840	0.27%
Gross Profit After Franchise Related Expenses	\$631,039	45.03%

Table 12

Operational Franchise Outlet 11		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$1,058,693	100.00%
Less:		
Food Cost	\$301,727	28.50%
Labor Cost	\$226,615	21.41%
Gross Profit	\$530,351	50.09%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 52,935	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 10,587	1.00%
POS System Fee ⁵	\$ 3,840	0.36%
Gross Profit After Franchise Related Expenses	\$462,989	43.73%

Table 13

Operational Franchise Outlet 12		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$544,303	100.0%
Less:		
Food Cost	\$162,202	29.80%
Labor Cost	\$118,809	21.83%
Gross Profit	\$263,292	48.37%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 27,215	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 5,443	1.00%
POS System Fee ⁵	\$ 3,840	0.71%
Gross Profit After Franchise Related Expenses	\$226,794	41.67%

Table 14

Operational Franchise Outlet 13		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$657,528	100.00%
Less:		
Food Cost	\$197,915	30.10%
Labor Cost	\$172,042	26.16%
Gross Profit	\$287,571	43.74%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 32,876	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 6,575	1.00%
POS System Fee ⁵	\$ 3,840	0.58%
Gross Profit After Franchise Related Expenses	\$244,280	37.15%

Table 15

Operational Franchise Outlet 14		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$628,508	100.00%
Less:		
Food Cost	\$184,152	29.30%
Labor Cost	\$114,840	18.27%
Gross Profit	\$329,516	52.43%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 31,425	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 6,285	1.00%
POS System Fee ⁵	\$ 3,840	0.61%
Gross Profit After Franchise Related Expenses	\$287,966	45.82%

Table 16

Operational Franchise Outlet 15		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$1,457,814	100.00%
Less:		
Food Cost	\$414,019	28.40%
Labor Cost	\$287,331	19.71%
Gross Profit	\$756,464	51.89%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 72,890	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 14,578	1.00%
POS System Fee ⁵	\$ 3,840	0.26%
Gross Profit After Franchise Related Expenses	\$665,156	45.63%

Table 17

Operational Franchise Outlet 16		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$568,816	100.00%
Less:		
Food Cost	\$168,369	29.60%
Labor Cost	\$121,449	21.35%
Gross Profit	\$278,998	49.05%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 28,441	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 5,688	1.00%
POS System Fee ⁵	\$ 3,840	0.68%
Gross Profit After Franchise Related Expenses	\$241,029	42.37%

Table 18

Operational Franchise Outlet 17		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$706,798	100.00%
Less:		
Food Cost	\$211,332	29.90%
Labor Cost	\$171,171	24.22%
Gross Profit	\$324,295	45.88%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 35,340	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 7,068	1.00%
POS System Fee ⁵	\$ 3,840	0.54%
Gross Profit After Franchise Related Expenses	\$278,047	39.34%

Table 19

Operational Franchise Outlet 18		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$1,074,300	100.00%
Less:		
Food Cost	\$307,249	28.60%
Labor Cost	\$123,208	11.47%
Gross Profit	\$643,843	59.93%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 53,715	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 10,473	1.00%
POS System Fee ⁵	\$ 3,840	0.36%
Gross Profit After Franchise Related Expenses	\$575,815	53.60%

Table 20

Operational Franchise Outlet 19		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$323,791	100.00%
Less:		
Food Cost	\$ 97,461	30.10%
Labor Cost	\$ 67,760	20.93%
Gross Profit	\$158,570	48.97%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 16,190	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 3,238	1.00%
POS System Fee ⁵	\$ 3,840	1.19%
Gross Profit After Franchise Related Expenses	\$135,302	41.79%

Table 21

Operational Franchise Outlet 20		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$589,993	100.00%
Less:		
Food Cost	\$170,507	28.90%
Labor Cost	\$ 80,962	13.72%
Gross Profit	\$338,524	57.38%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 29,500	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 5,900	1.00%
POS System Fee ⁵	\$ 3,840	0.65%
Gross Profit After Franchise Related Expenses	\$299,284	50.73%

Table 22

Operational Franchise Outlet 21		
	2023 Calendar Year	
	Total	Percentage
Gross Sales	\$553,045	100.00%
Less:		
Food Cost	\$182,550	33.01%
Labor Cost	\$ 99,451	17.98%
Gross Profit	\$271,044	49.01%
Less: Franchise Related Expenses		
Royalty Fee ²	\$ 27,652	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$ 5,530	1.00%
POS System Fee ⁵	\$ 3,840	0.69%
Gross Profit After Franchise Related Expenses	\$234,022	42.32%