

ITEM 18 PUBLIC FIGURES

We do not use any public figures 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-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.

Defined Terms

For purposes of this financial performance representation, the following terms have the meanings given to them below:

“**Adjusted Gross Profit**” means the financial performance metric calculated as Gross Profit minus (a) Labor Expenses and (b) Marketing Expenses. It does not account for Imputed Fees & Costs or Excluded Expenses.

“**Adjusted Gross Profit (Less Imputed Fees & Costs)**” means the financial performance metric calculated as Adjusted Gross Profit minus Imputed Fees & Costs.

“**Company-Owned Restaurant**” means any Restaurant that is owned by: (a) us; (b) any affiliate of ours; or (c) any person listed in Item 2 of this Disclosure Document if that person is also involved with the management of the Restaurant.

“**Converted Restaurant**” means any Restaurant that either: (a) was a Company-Owned Restaurant that was sold to a franchisee at any time during the Measuring Period; or (b) was a Franchised Restaurant that we or our affiliate reacquired from the franchisee at any time during the Measuring Period.

“**Cost of Goods Sold**” or “**COGS**” includes variable costs that are directly associated with the provision and delivery of goods and services, and which includes costs of food and beverage as well as paper costs. COGS do not include: (a) fixed costs; (b) overhead costs; (c) Labor Expenses, (d) Marketing Expenses or (e) Excluded Expenses.

“**Excluded Expenses**” means interest paid on debt, taxes, depreciation, amortization expenses and certain other expenses incurred by Qualifying Restaurants that are not accounted for in this FPR, including: 3rd party delivery charges; kitchen expenses (supplies, smallwares, etc.); payroll processing/service fees; employee uniforms; food license fees; and any other miscellaneous expenses not included in COGS, Labor Expenses or Marketing Expenses.

“**FPR**” means the financial performance representation set forth in Item 19 of this Disclosure Document.

“**Franchised Restaurant**” means any Restaurant that is owned by a franchisee.

“**Gross Profit**” means the financial performance metric calculated as Gross Sales minus COGS.

“**Gross Sales**” means total revenue from all goods and services sold less: (a) taxes; (b) customer refunds; (c) revenue from the sale of furniture, fixtures and equipment in the ordinary course of business; (d) the value of approved coupons, vouchers or similar items at the time of redemption; and (e) tips paid to and retained by staff members as a gratuity.

“Imputed Fees & Costs” means the royalty fees, brand fund fees and Local Advertising Commitment (LAC) a Company-Owned Restaurant would have incurred if it was a Franchised Restaurant, less any amounts actually incurred by the Company-Owned Restaurant for these categories of fees and costs.

“Labor Expenses” means and includes all Restaurant labor expense, including: manager salaries; hourly wages for shift managers and Restaurant employees; payroll taxes; and vacation pay for Restaurant employees.

“Marketing Expenses” means all costs and expenses incurred for internal and external advertising, marketing and promotional activities, including expenses associated with incorporating the menu into the customer experience.

“Measuring Period” means the period of time commencing January 1, 2023 and expiring December 31, 2023.

“Qualifying Restaurant” means any Company-Owned Restaurant or Franchised Restaurant that satisfies all of the following criteria: (a) the outlet was open and operating throughout the entire Measuring Period; (b) the outlet provided us with all data we requested in order to prepare the FPR; (c) the outlet is not a Converted Restaurant; and (d) the outlet is not materially different from the Franchised Restaurant offered under this Disclosure Document.

System Statistics

For purposes of this FPR, each Restaurant may be referred to as an “outlet.” As of December 31, 2023 (the last day of the Measuring Period) there were: (a) 0 Franchised Restaurants in operation; and (b) 3 Company-Owned Restaurants in operation, 1 of which is a Qualifying Restaurant. The table below summarizes the outlet statistics and the number of Qualifying Restaurants:

2023 Outlet Statistics							
Outlet Type	Open Outlets		Statistical Changes During 2023			Materially Different Outlets	Qualifying Outlets
	Jan 1, 2023	Dec 31, 2023	Outlets Opened	Outlets Closed	Converted Outlets		
Franchised	0	0	0	0	0	0	0
Company-Owned	2	3	1	0	0	1	1
Total	2	3	1	0	0	1	1

Qualifying Restaurant

This FPR includes data from 1 Qualifying Restaurant, which is our company-owned Restaurant located in Polaris, Ohio that opened in 2016. The Restaurant is 1,980 square feet in size. There are no material differences between the operations of the Qualifying Restaurant and the Franchised Restaurant offered under this Disclosure Document. This FPR is limited to data from our Company-Owned Restaurant since there were no Franchised Restaurants in operation during the Measuring Period.

Excluded Restaurants

We excluded data from our Company-Owned Restaurant that opened in 2023 since it was not open and operating throughout the entire Measuring Period.

We excluded data from another Company-Owned Restaurant (the “UCF Restaurant”) because it is materially different than the Franchised Restaurant offered under this Disclosure Document. The UCF Restaurant is an experimental Restaurant that we established to test our model with a different demographic population (college-aged students). The UCF Restaurant is located immediately adjacent to a college campus and shares many characteristics of Restaurants located in Captive Venues. The UCF Restaurant is 3,400 square feet, which is much larger than our recommended size for a Franchised Restaurant (our franchise model is for a restaurant

ranging in size from 1,700 to 2,500 square feet). The UCF Restaurant serves as our testing facility for new product offerings, including non-standard lower-priced menu items targeting college students with limited disposable income. The UCF Restaurant offers menu items at prices materially lower than the prices charged by a typical Restaurant. College students also receive an additional 10% discount on all purchases. Because the UCF Restaurant serves as a testing facility, the Restaurant incurs significant additional expenses that a typical Restaurant would not incur, including additional marketing expenses to promote the new products and associated administrative costs (such as adding the new products to the menu and POS system).

Financial Performance Representation

The following table presents the historical financial results achieved by the Qualifying Restaurant during the Measuring Period.

2023 Financial Performance Representation (1 Company-Owned Restaurant)		
Financial Performance Metric	Stated Result	Gross Sales %
Gross Sales	\$1,783,883	100.0%
Cost of Goods Sold	\$542,300	30.4%
Gross Profit	\$1,241,583	69.60%
Labor Expenses	\$506,623	28.4%
Marketing Expenses	\$44,597	2.5%
Adjusted Gross Profit	\$690,363	38.7%
Imputed Fees & Costs	Royalty Fees	\$107,033
	Brand Fund Fees	\$26,758
	LAC (additional costs)	\$8,919
Adjusted Gross Profit (Less Imputed Fees & Costs)		30.7%

Notes:

- Source of Data:** We prepared the FPR based on data we obtained from the POS system utilized by the Qualifying Restaurant. The data has not been audited.
- Imputed Fees & Costs:** The Qualifying Restaurant did not incur Imputed Fees & Costs during the Measuring Period. Imputed Fees & Costs include:
 - Royalty fees (6% of monthly Gross Sales)
 - Brand Fund Fees (1.5% of monthly Gross Sales)
 - The difference between (a) the Local Advertising Commitment required by the Franchise Agreement (3% of monthly Gross Sales) and (b) the actual amount of Marketing Expenses incurred by the Qualifying Restaurant

This FPR discloses 2 sets of Adjusted Gross Profit figures, including: (1) “Adjusted Gross Profit” which is calculated based on actual expenses incurred by the Qualifying Restaurant and does not account for Imputed Fees & Costs; and (2) “Adjusted Gross Profit (Less Imputed Fees & Costs)” which is calculated in a manner that takes into account all Imputed Fees & Costs. Imputed Fees & Costs are discussed in more detail in Notes 3, 4 and 5 below.

- Imputed Royalty Fees:** The Qualifying Restaurant did not pay royalty fees during the Measuring Period. The Franchise Agreement requires a royalty fee calculated as 6% of Gross Sales. For “Imputed Fees &

Costs", we included the total amount of royalty fees the Qualifying Restaurant would have incurred if it was a Franchised Restaurant.

4. **Imputed Brand Fund Fees:** The Qualifying Restaurant did not pay brand fund fees during the Measuring Period. The Franchise Agreement requires a brand fund fee calculated as: (a) 0.5% of Gross Sales for the 1st year of operation; (b) 1.0% of Gross Sales for the 2nd year of operation; and (c) 1.5% of Gross Sales for the remainder of the term. For purposes of imputing fees and costs, we applied the highest brand fund fee rate of 1.5% of Gross Sales based on the Qualifying Restaurant's opening date. For "Imputed Fees & Costs", we included the total amount of brand fund fees the Qualifying Restaurant would have incurred if it was a Franchised Restaurant.
5. **Imputed LAC:** Each month, franchisees must spend a minimum amount of money on local advertising and marketing equal to the Local Advertising Commitment (LAC). The LAC is: (a) 8% of Gross Sales for the 1st year of operation; and (b) 3% of Gross Sales for the remainder of the term. For purposes of imputing fees and costs, we applied the LAC rate of 3% of Gross Sales based on the Qualifying Restaurant's opening date. For "Imputed Fees & Costs", we included the additional Marketing Expenses the Qualifying Restaurant would have incurred if it was a Franchised Restaurant. The additional amount for the Qualifying Restaurant was \$8,919, calculated as the difference between (a) \$53,516 (i.e., 3% of Gross Sales) and (b) \$44,597 (the amount of Marketing Expenses actually incurred by the Restaurant).

Some Restaurants have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

Written substantiation for this financial performance representation will be made available to you upon your reasonable written request.

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 our President, Brian Mills, at 6011 Brownsboro Park Blvd., Suite F, Louisville, Kentucky 40207 or by phone (858) 717-5200, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1 - SYSTEM-WIDE OUTLET SUMMARY FOR YEARS 2021 TO 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	2023	0	0	0
Company-Owned	2021	2	3	+1
	2022	3	2	-1
	2023	2	3	+1
Total Outlets	2021	2	3	+1
	2022	3	2	-1
	2023	2	3	+1