

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote the sale of our franchises.

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 this 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.

Fiscal Year 2023 Financial Performance

Company-Operated Restaurants

TABLE 1

Fiscal Year ending Dec. 31, 2023	All Locations (1)		Top 50% Net Sales 9 Locations		Bottom 50% Net Sales 9 Locations		Median	
Net Sales (3) (4)	\$2,364,881	100.00%	\$2,819,256	100.00%	\$1,810,250	100.00%	\$1,948,075	100.00%
Cost of Sales (5)	\$560,133	23.69%	\$688,996	24.44%	\$431,270	23.82%	\$466,362	23.94%
Labor (6)	\$689,163	29.14%	\$817,014	28.98%	\$561,311	31.01%	\$603,633	30.99%
Prime Cost	\$1,249,296	52.83%	\$1,506,010	53.42%	\$992,581	54.83%	\$1,069,995	54.93%
Semi Controllable Costs								
Supplies (7)	\$80,238	3.39%	\$90,970	3.23%	\$69,507	3.84%	\$60,835	3.12%
Utilities (8)	\$109,498	4.63%	\$121,348	4.30%	\$97,648	5.39%	\$80,293	4.12%
Restaurant R&M (9)	\$48,107	2.03%	\$54,904	1.95%	\$41,310	2.28%	\$28,220	1.45%
Other Operating Expense (11)	\$129,105	5.46%	\$135,573	4.81%	\$122,637	6.77%	\$100,407	5.15%
Non Controllable Costs (12)	\$233,347	9.87%	\$172,727	6.13%	\$193,712	10.70%	\$127,912	6.57%
EBITDAR (2)	\$515,290	21.79%	\$737,724	26.17%	\$292,855	16.18%	\$480,413	24.66%
<i>Beverage percent of Gross Sales (13)</i>	<i>40.80%</i>		<i>40.75%</i>		<i>40.88%</i>		<i>41.13%</i>	
<i>Adjustments to franchise outlets:</i>								
Royalties & brand fund contribution	-	-5.50%	-	-5.50%	-	-5.50%	-	-5.50%
Adjusted EBITDAR	\$385,222	16.29%	\$582,665	20.67%	\$193,291	10.68%	\$373,269	19.16%

NOTES

- (1) **Rounding of Numbers.** The amounts reflected in the table are averages of the actual results of the company-owned locations in operation during fiscal year 2023 that were operating at least six days per week.
- (2) **EBITDAR.** EBITDAR equals restaurant level earnings before income taxes, depreciation, amortization and rent. It does not include franchise fees.
- (3) **Variations in Sales.** Variations in the sales levels of restaurants may occur due to the foot/vehicular traffic where the restaurants are located, the populations and income of the immediate market area, the retail maturity in the area, the amount of competition in the area, and numerous other factors.
- (4) **Sales.** Sales include sales of all food and beverages, net of sales taxes, discounts and coupons.
- (5) **Total Cost of Sales.** The cost of sales includes cost of all food and beverages. You will have the opportunity to take advantage of volume discounts on particular items and purchasing contracts negotiated by us. However, availability of such volume discounts and negotiated purchasing contracts may be limited to the geographic areas in which we currently operate Margaritas Restaurants. The cost of items such as produce, which are often purchased locally, may vary according to the location of the restaurant. Additionally, freight, shipping costs and the amount of mark-up imposed by local suppliers will also vary.
- (6) **Labor.** Labor for a restaurant generally necessitates a range of 25 - 50 employees, including both full-time and part-time workers. This category includes amounts for payroll taxes, vacation pay, management salary, management bonus, training, and employee benefits. This category assumes 1 designated General Manager, 1-3 Assistant General Managers and 1-2 hourly shift leaders. These expenses include amounts for payroll taxes and vacation pay. Management bonuses and benefits include amounts for manager performance bonuses, worker's compensation insurance, 401(k) employer contributions and group medical, dental and life insurance expenses. A franchisee's benefits cost will vary depending on the amount of vacation time granted, the amount and type of insurance coverage provided to employees, the size of the franchisee's total employment base and specific state and/or local requirements. The costs of labor and related payroll expenses may vary substantially depending on the geographic location of the restaurant, state and or local minimum wage requirements.
- (7) **Supplies.** Supplies include the costs of paper supplies, guest supplies, lighting supplies, glassware, smallwares, office supplies, seasonal decorations, ice purchases, bottled gases, cleaning supplies, chemicals and detergents, small furnishings, first aid and other miscellaneous supplies.
- (8) **Utilities.** Utilities include the costs of electricity, gas/heating fuel, water and sewer, waste removal, telephone and pay telephones, e-communications and cable TV. The costs of utility expenses may vary substantially depending on the geographic location of the restaurant.
- (9) **Restaurant R&M.** Restaurant R&M includes all repairs made at the restaurant level, including but not limited to HVAC, building, equipment, and property.

(10) **G&A Allocated R&M.** This represents all corporate G&A related to R&M that Margaritas allocated back to its restaurants. This includes salary, benefits, and travel of all corporate employees who work in the Maintenance department.

(11) **Other Operating Expenses.** Other operating expenses include the costs of repairs and maintenance, employee parties or awards, knife sharpening, laundry, pest control, cleaning services, fines and penalties, equipment leases, local marketing, cash variance, credit card fees, bank service fees, security systems, background music, plant care, and miscellaneous other operating expenses. The costs of other operating expenses may vary substantially depending on the geographic location of the restaurant.

(12) **Non Controllable Expenses.** Non controllable expenses include amounts for marketing expenses, commercial insurances, licensing and permitting expenses, professional fees, miscellaneous other operational expenses, and income/expense from non-operational activities such as ATMs or juke box. Under your Franchise Agreement, you are required to spend a minimum of 2% of Gross Revenues on local advertising and Brand Fund marketing.

Beverage Percent of Gross Sales. This category includes all alcohol (liquor, beer, wine) beverage sales.

Fiscal Year 2023 Financial Performance

Franchised Restaurants

TABLE 2

Franchised Tio Juan's Margaritas Restaurants: 2023 Gross Revenue

Number of Franchised Businesses (open 24 – 36 months)	6
Range of Gross Revenue	\$719,438 to \$4,140,463
Average Annual Gross Revenue	\$2,467,588
Median Annual Gross Revenue	\$2,660,126
Number of Franchised Businesses Greater Than Average	3 or 50%

Written substantiation of the information used in preparing this financial performance representation will be made available to you upon reasonable request. However, we will disclose the identity, revenue or other items of income or expense of any particular company-operated restaurant only in connection with the sale of that restaurant.

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

Other than the preceding financial performance representation MFC 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 Thomas Radomski, Vice President of Franchise Development, MFC, 273

Locust Street, Suite 200, Dover, New Hampshire 03820, (603) 498-0496, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide Outlet Summary
Fiscal Years 2021 to 2023

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at Start of Year	Column 4 Outlets at End of Year	Column 5 Net change
Franchised (1)	2021	7	7	0
	2022	7	7	0
	2023	7	6	-1
Company-Owned (1)	2021	18	18	0
	2022	18	18	0
	2023	18	19	+1
Total Outlets (1)	2021	25	25	0
	2022	25	25	0
	2023	25	25	0

NOTES

- (1) All numbers are as of MMGI's fiscal year end (ending on the last Sunday of December).

Table No. 2
Transfers of Outlets From Franchisees to New Owners
(Other than MFC)
For Years 2021 to 2023 (1)

Column 1 State	Column 2 Year	Column 3 Number of Transfers
NJ	2021	0
	2022	2
	2023	0
Total Outlets	2021	0