

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, and/or company-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.

As of December 31, 2023, we had one Ori'Zaba's Restaurant owned by our affiliate (“Affiliate Outlet”) and three franchised Ori'Zaba's Restaurants (“Franchised Outlets”). The Affiliate Outlet is operated by our affiliate, Zaba's Management, LLC, in the Las Vegas, Nevada metro area. The financial information provided in the following chart represents the actual performance of the Affiliate Outlet and three Franchised Outlets (“Reporting Group”) for the 2023 calendar year (“Reporting Period”). We exclude the data of one Franchised Outlet that closed during the Reporting Period and did not operate for all twelve months. The numbers have not been audited but we have no reason to doubt their accuracy. The Franchised Outlets in the Reporting Group reported their financial information to us. The financial information of the Affiliate Outlet is from our affiliate's internal accounting records.

The size and physical layout of the Affiliate Outlet and the Franchised Outlets are based on designs that may be materially different than your design depending on the specific attributes of the premise of your Restaurant. Table 1-a presents financial information for the Franchised Outlets in the Reporting Group and Table 1-b presents financial information for the Affiliate Outlet. Table 2 presents financial information for both the Franchised Outlets and the Affiliate Outlet in the Reporting Group. Franchised Ori'Zaba's Restaurants share many of the same characteristics of the Affiliate Outlet, including degree of competition, method of operation, and products and services provided. The Affiliate Outlet contributes to the Brand Fund on the same basis as franchisees and is subject to the same minimum Local Marketing Requirement as franchisees, but the Affiliate Outlet does not pay a Royalty.

Table 1-a
Gross Sales and Gross Profit
Franchised Outlets in the Reporting Group During the Reporting Period

	Average	Median	Number/ Percentage that Met or Exceeded Average	Minimum Value in Range	Maximum Value in Range
Gross Sales	\$1,482,209.90	\$1,288,970.67	1 / 33%	\$1,157,310.51	\$2,000,348.66
Gross Profit	\$621,120.03	\$490,802.65	1 / 33%	\$426,353.19	\$946,204.34
Gross Profit Margin	40.74%	38.08%	1 / 33%	36.84%	47.30%

Table 1-b
Gross Sales and Gross Profit
For the Affiliate Outlet in the Reporting Group During the Reporting Period

Gross Sales	\$1,534,579.15
Gross Profit	\$723,642.87
Gross Profit Margin	47.16%

Table 2
Gross Sales and Gross Profit
For the Reporting Group During the Reporting Period

	Average	Median	Number/ Percentage that Met or Exceeded Average	Minimum Value in Range	Maximum Value in Range
Gross Sales	\$1,495,302.25	\$1,411,775	2 (50%)	\$1,157,310.51	\$2,000,348.66
Gross Profit	\$646,750.76	\$607,223	2 (50%)	\$426,353.19	\$946,204.34
Gross Profit Margin	43.25%	42.62%	2 (50%)	36.84%	47.30%

Table 1 and 2 Notes:

1. **Operating History.** The Affiliate Outlet in the Reporting Group opened in 2014. The Franchised Outlets originally operated as affiliate Ori'Zaba's Restaurants but have been operated by a franchisee since December 2021.
2. **Gross Sales:** For purposes of this Item 19, “**Gross Sales**” means the total of all revenues and income from the sale of all Ori'Zaba's Restaurant food products, beverages and other related merchandise, products, and services to customers whether or not sold or performed at or from the Ori'Zaba's Restaurant, and whether received in cash, coupon, in services in kind, from barter and/or exchange, on credit (whether or not payment is received) or otherwise.
3. “**Gross Profit**” means Gross Sales minus cost of goods sold and total payroll. Cost of goods sold includes cost of food, beverages and other related costs. Total payroll includes employee and manager payroll, but excludes employment taxes and benefits. Royalty, Brand Fund Contributions and Local Marketing Requirement expenditures are not included in costs of goods sold and total labor, and have not been subtracted from Gross Sales.
4. “**Gross Profit Margin**” is calculated by dividing Gross Profit by Gross Sales and is expressed as a percentage.
5. The above financial performance representations figures do not reflect all of the costs of sales, operating expenses, or other costs or expenses that must be deducted from the Gross Sales figures to obtain your net income and profit. All numbers have been rounded to the nearest dollar.

The financial performance representations above only reflect the results of the Affiliate Outlet and Franchised Outlets that operate as traditional Restaurants, and not Non-Traditional Restaurants.

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

Written substantiation for the financial performance representation will be made available to prospective franchisees upon reasonable request. You should conduct an independent investigation of the costs and expenses you will incur in operating your Ori'Zaba's Business.

Other than the preceding financial performance representation, Ori'Zaba's Franchise Operations, LLC 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 the franchisor's management by contacting Jennifer Howell at 8084 S. Wallace Court, Suite A, Englewood, CO 80112, jenh@zabas.com; or 720-817-9326, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide Outlet Summary For Years 2021-2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets ⁽¹⁾	2021	0	3	+3
	2022	3	4	+1
	2023	4	3	-1
Company-Owned	2021	4	1	-3
	2022	1	1	0
	2023	1	1	0
Total Outlets	2021	4	4	0
	2022	4	5	+1
	2023	5	4	-1