

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 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.

FINANCIAL PERFORMANCE REPRESENTATIONS:

INDIVIDUAL UNIT TROPICAL SMOOTHIE CAFE FRANCHISES

The following tables provide historical sales information for Tropical Smoothie Cafe franchised restaurants (“**Restaurants**”) that were open at least one full year as of: (a) the calendar year 2023 for 1,151 Restaurants; (b) the calendar year 2022 for 950 Restaurants; and (c) the calendar year 2021 for 768 Restaurants. The tables do not include any financial performance information for any other types of franchises, such as non-traditional locations (i.e. college campus or other captive locations) or seasonal locations, and do not include any franchises of any type that had not been open for at least one year on December 31, 2023, December 25, 2022, and December 26, 2021, respectively. The information presented is not a forecast of future potential performance. For the purposes of the tables below, Net Revenue means all revenue related to the sale of products and performance of services in at the Restaurant, whether for cash or credit, and regardless of collection in the case of credit, and income of every kind or nature related to the Restaurant, less any discounts. Net Revenue does not include (i) bona fide refunds to customers, (ii) revenues from sales taxes or other add-on taxes collected from customers by you and actually transmitted to the appropriate taxing authority, (iii) sales of used equipment not in the ordinary course of business, or (iv) sales of gift cards or similar products (but the redemption of any such card or product will be included in Net Revenue).

The tables provide the average and median Net Revenues for the following categories of Restaurants in 2023, 2022, and 2021 on a category and cumulative basis: (a) our top 10% revenue producing Restaurants (meaning the average Net Revenue for the number of Restaurants that were in the top 10% of Net Revenues for that year); (b) our top 25% revenue producing Restaurants (which includes the Restaurants that are in the top 10%); (c) our top 50% revenue producing Restaurants (which includes the Restaurants that are in the top 10% and the top 25%); (d) our top 75% revenue producing Restaurants (which includes the Restaurants that are in the top 10%, the top 25% and the top 50%); (e) our bottom 10% revenue producing Restaurants (meaning the average Net Revenue for the number of Restaurants that were in the bottom 10% of the Net Revenue for that year); (f) our bottom 25% revenue producing Restaurants (which includes the Restaurants that are in the bottom 10%); (g) our bottom 50% revenue producing Restaurants (which includes the Restaurants that are in the bottom 10% and the bottom 25%); and (h) our bottom 75% revenue producing Restaurants (which includes the Restaurants that are in the bottom 10%, the bottom 25% and the bottom 50%). We present the average Net Revenue for the year in that category as well as the number and percentage achieving or surpassing the average Net Revenue in that category alone and cumulative for all Restaurants. For example, 109 of the 228 Restaurants in the top 25% for 2023 (or 38%), 85 of the 238 Restaurants in the top 25% for 2022 (or 36%), and 68 of the 192 Restaurants in the top 25% for 2021 (or 35%), achieved or surpassed that average.

Average Net Revenues in 2023

	Top 10%	Top 25%	Top 50%	Top 75%	Total
No. of Restaurants	115	288	576	863	1,151
Avg. Net Revenues	\$1,673,798	\$1,441,232	\$1,248,276	\$1,108,757	\$979,491
Median Net Revenues	\$1,588,799	\$1,366,694	\$1,180,105	\$1,049,408	\$944,699
No. that Attained or Surpassed Stated Result in Category (Cumulative)	38	109	228	356	530
Percent that Attained or Surpassed Stated Result in Category (Cumulative)	33%	38%	40%	41%	46%
Range (Lowest-Highest)	\$1,435,399 - \$2,803,009	\$1,180,210 - \$2,803,009	\$944,699 - \$2,803,009	\$733,801 - \$2,803,009	\$302,973 - \$2,803,009

	Bottom 10%	Bottom 25%	Bottom 50%	Bottom 75%	Total
No. of Restaurants	115	288	575	863	1,151
Avg. Net Revenues	\$488,807	\$592,141	\$710,238	\$825,399	\$979,491
Median Net Revenues	\$510,217	\$603,019	\$731,860	\$823,890	\$944,699
No. that Attained or Fell Below Stated Result in Category (Cumulative)	74	157	321	431	530
Percent that Attained or Fell Below Stated Result in Category (Cumulative)	64%	55%	56%	50%	46%
Range (Lowest-Highest)	\$302,973 - \$572,001	\$302,973 - \$733,453	\$302,973 - \$944,455	\$302,973 - \$1,180,001	\$302,973 - \$2,803,009

As of December 31, 2023, there were 1,371 franchised Restaurants and 1 company-owned Restaurant. Of the 1,371 franchised Restaurants, 1,196 were franchised Restaurants that had been open for at least 12 months as of December 31, 2023. Of the 1,196 Restaurants, 37 restaurants were excluded since they were non-traditional locations. Of the 1,156 Restaurants, 5 were excluded since they were not open for at least 357 days in 2023 (51 out of 52 weeks in 2023 fiscal year). Of the 1,151 Restaurants referenced in the above table, all reported sufficient financial performance information to be included in this financial performance representation.

Average Net Revenues in 2022

	Top 10%	Top 25%	Top 50%	Top 75%	Total
No. of Restaurants	95	238	475	712	950
Avg. Net Revenues	\$1,648,079	\$1,434,774	\$1,254,078	\$1,120,867	\$992,613
Median Net Revenues	\$1,563,369	\$1,361,375	\$1,199,440	\$1,077,445	\$966,293
No. that Attained or Surpassed Stated Result in Category (Cumulative)	32	85	187	302	435
Percent that Attained or Surpassed Stated Result in Category (Cumulative)	34%	36%	39%	42%	46%
Range (Lowest-Highest)	\$1,420,551-\$2,462,202	\$1,199,440-\$2,462,202	\$966,373-\$2,462,202	\$745,503-\$2,462,202	\$291,705-\$2,462,202

	Bottom 10%	Bottom 25%	Bottom 50%	Bottom 75%	Total
No. of Restaurants	95	238	475	712	950
Avg. Net Revenues	\$510,337	\$608,931	\$731,149	\$844,812	\$992,613
Median Net Revenues	\$533,740	\$625,699	\$745,493	\$848,598	\$966,293
No. that Attained or Fell Below Stated Result in Category (Cumulative)	57	132	249	360	435
Percent that Attained or Fell Below Stated Result in Category (Cumulative)	60%	55%	52%	51%	46%
Range (Lowest-Highest)	\$291,705-\$598,967	\$291,705-\$745,493	\$291,705-\$966,213	\$291,705-\$1,197,716	\$291,705-\$2,462,202

As of December 25, 2022, there were 1,197 franchised Restaurants and 1 company-owned Restaurant. Of the 1,197 franchised Restaurants, 1,044 were franchised Restaurants that had been open for at least 12 months as of December 25, 2022. Of the 1,044 Restaurants, 35 Restaurants were excluded since they were non-traditional locations. Of the 1,009 Restaurants, 59 were excluded since they were not open for at least 357 days in 2022 (51 out of 52 weeks in 2022 fiscal year). Of the 950 Restaurants referenced in the above table, all reported sufficient financial performance information to be included in this financial performance representation.

Average Net Revenues in 2021

	Top 10%	Top 25%	Top 50%	Top 75%	Total
No. of Restaurants	77	192	384	576	768
Avg. Net Revenues	\$1,743,007	\$1,491,802	\$1,289,351	\$1,142,572	\$1,009,803
Median Net Revenues	\$1,656,224	\$1,392,896	\$1,207,310	\$1,089,440	\$961,969
No. that Attained or Surpassed Stated Result in Category (Cumulative)	28	68	151	243	348
Percent that Attained or Surpassed Stated Result in Category (Cumulative)	36%	35%	39%	42%	45%
Range (Lowest-Highest)	\$1,444,805-\$2,733,965	\$1,207,610-\$2,733,965	\$962,000-\$2,733,965	\$750,973-\$2,733,965	\$351,400-\$2,733,965

	Bottom 10%	Bottom 25%	Bottom 50%	Bottom 75%	Total
No. of Restaurants	77	192	384	576	768
Avg. Net Revenues	\$514,087	\$611,499	\$730,256	\$849,137	\$1,009,308
Median Net Revenues	\$532,555	\$622,526	\$750,937	\$845,317	\$961,969
No. that Attained or Fell Below Stated Result in Category (Cumulative)	47	108	214	286	348
Percent that Attained or Fell Below Stated Result in Category (Cumulative)	61%	56%	56%	50%	45%
Range (Lowest-Highest)	\$351,400-\$602,658	\$351,400-\$750,901	\$351,400-\$961,938	\$351,400-\$1,207,010	\$351,400-\$2,733,965

As of December 26, 2021, there were 1,038 franchised Restaurants and 1 company-owned Restaurant. Of the 1,038 franchised Restaurants, 906 were franchised Restaurants that had been open for at least 12 months as of December 26, 2021. Of the 906 Restaurants, 29 Restaurants were excluded since they were non-traditional locations. Of the 877 Restaurants, 109 were excluded since they were not open for at least 357 days in 2021 (51 out of 52 weeks in 2021 fiscal year). Of the 768 Restaurants referenced in the above table, all reported sufficient financial performance information to be included in this financial performance representation.

As stated, the sales for each of the Restaurants presented are limited to the sales results for Restaurants that had been open for a full 12 months of operations as of December 31, 2023, December 25, 2022, and December 26, 2021, respectively. Sales during the first year of operations are likely to be significantly less than for those that have been open for a year or more.

All Tropical Smoothie Cafe Restaurants offer substantially the same products and services to the public. None of the franchised Tropical Smoothie Cafe Restaurants received any services not generally available to other franchisees and substantially the same services will be offered to new franchisees.

We obtained these historical financial results from the information submitted by our franchisees. Neither we nor an independent certified public accountant has independently audited or verified the information.

Some Restaurants have sold the amounts shown in the tables. Your individual results may differ. There is no assurance you will sell as much.

The foregoing data relates to revenues only; we are not presenting any information on the costs and expenses of operating a Tropical Smoothie Cafe Restaurant. Operating a Tropical Smoothie Cafe Restaurant incurs a wide variety of expenses that will reduce the restaurant's income from the revenue levels shown. Examples of the types of these expenses include, without limitation, rent and occupancy expenses; food and beverage product and supply costs; salaries, wages and other personnel-related expenses; federal, state and local taxes and fees; utilities; financing costs (including on loans and leases); royalties and other amounts due us.

Characteristics of the included franchised Restaurants may differ substantially from your Franchised Business depending on your previous business or management experience, competition in your area, length of time that the included Restaurants have operated compared to your Franchised Business, and the services or goods sold at your Franchised Business compared to the included Restaurants. The sales, profits and earnings of an individual franchisee may vary greatly depending on these and a wide variety of other factors, including the location of the Franchised Business, population, demographics in your market area, economic and market conditions, labor, and product costs, etc.

We have written substantiation in our possession to support the information appearing in this financial performance representation. Written substantiation will be made available to you on reasonable request.

We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable and consult with an attorney and other advisors prior to executing the franchise agreement.

Other than the preceding financial performance representation, we do not make any financial performance 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 our management by contacting Pete Ward, our General Counsel at 1117 Perimeter Center West, Suite W200, Atlanta, Georgia 30338 and 770-821-1900, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
Systemwide Outlet Summary
For Years Ending December 26, 2021, December 25, 2022, and December 31, 2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	913	1037	+124
	2022	1037	1197	+160
	2023	1197	1371	+174
Company-Owned	2021	1	1	0
	2022	1	1	0