

Provision	Section in Development Agreement	Summary
(v) Choice of forum	16	City closest to our principal place of business (currently Denver, Colorado), subject to state law.
(w) Choice of law	16	Colorado, subject to state law.

## **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 this Item 19 may be given only if: (1) the franchisor provides the actual records of an existing outlet you are considering buying; or (2) the 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.

### Gross Sales Table

The information in the Gross Sales Table below contains Gross Sales information obtained from Profit and Loss statements provided by our franchisees and is a historical financial performance representation for the United States franchised Teriyaki Shops that met the following criteria: (a) have been in operation for at least one year; (b) have had no change of ownership within such one-year period; (c) were in traditional locations; (d) are not currently for sale; and (e) were in good standing of their Franchise Agreement (“Conditions”). We have provided the financial information for those Teriyaki Shops that met the Conditions for each calendar year (the twelve-month period commencing on January 1 and ending on December 31) from 2021 to 2023.

Gross Sales <sup>(1)</sup> Table*								
Year	High Gross Sales	Low Gross Sales	Average Gross Sales (“AGS”)	Number of Teriyaki Shops at or above AGS	Percentage of Teriyaki Shops at or above AGS	Median Gross Sales (“MGS”)	Number of Teriyaki Shops at or above MGS	Percentage of Teriyaki Shops at or above MGS
2023	\$2,644,329	\$368,639	\$1,095,618	36	43%	\$1,020,296	42	50%

Gross Sales <sup>(1)</sup> Table*								
Year	High Gross Sales	Low Gross Sales	Average Gross Sales (“AGS”)	Number of Teriyaki Shops at or above AGS	Percentage of Teriyaki Shops at or above AGS	Median Gross Sales (“MGS”)	Number of Teriyaki Shops at or above MGS	Percentage of Teriyaki Shops at or above MGS
2022	\$2,683,444	\$455,958	\$1,076,504	27	41%	\$982,504	33	50%
2021	\$2,275,568	\$525,289	\$1,161,229	17	47%	\$1,101,124	18	50%

\* Teriyaki Shops owned by our Predecessor's affiliate do not pay a Royalty Fee but do contribute Marketing Fund Contributions. These Teriyaki Shops are included in the 2021, 2022 and 2023 data.

Notes to Gross Sales Table and Quartile Tables:

1. “Gross Sales” means the revenues received from the sale of food, beverages, services and other items from in-store dining, carry-out, online orders, delivery, third party voucher sales, catering, and otherwise, including the sale of food and beverages, redemption of gift cards, and merchandise and all other income and consideration of every kind and nature related to the Teriyaki Madness Business or Teriyaki Madness Business operations (including all proceeds from any business interruption insurance) whether for cash or credit and regardless of collection in the case of credit, but does not include any sales taxes or other taxes collected from customers for, and thereafter paid directly to, the appropriate taxing authority.
2. As of December 31, 2023, we had 138 franchised Teriyaki Shops. The information in the table above is a historical financial performance representation for the 86 franchised Teriyaki Shops that met the Conditions. Fifty-two Teriyaki Shops did not meet this requirement and were not included. Twenty-seven were not open for at least one year, four were in non-traditional spaces, sixteen had a change of franchisee ownership within the one-year period, and five were for sale.
3. As of December 31, 2022, we had 121 franchised Teriyaki Shops. The information in the table above is a historical financial performance representation for the 68 franchised Teriyaki Shops that met the Conditions. Fifty-three Teriyaki Shops did not meet this requirement and were not included. Twenty-eight were not open for at least one year, seven managed by a management company affiliated with the franchisor, three were in non-traditional spaces, nine had a change of franchisee ownership within the one-year period, and six were for sale.
4. As of December 31, 2021, we had 100 franchised Teriyaki Shops. The information in the table above is a historical financial performance representation for the 62 franchised Teriyaki Shops that met the Conditions. Thirty-eight Teriyaki Shops did not meet this requirement and were not included. 20 were not open for at least one year, eleven managed by a management company affiliated with the franchisor, three were in a non-traditional space, two had a change of franchisee ownership within the one-year period, and two were for sale.
5. The above financial performance representations figures do not reflect 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 or profit.

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

Annual Gross Sales by Quartile

The information in the Gross Sales Tables below contains Gross Sales information broken into 4 Quartiles obtained from our franchisees' point of sale systems and is a historical financial performance representation for the United States franchised Teriyaki Shops that met the following criteria: (a) have been in operation for at least one year; (b) have had no change of ownership within such one-year period; (c) were in traditional locations; (d) are not currently for sale; and (e) were in good standing of their Franchise Agreement ("Conditions"). We have provided the financial information for those Teriyaki Shops that met the Conditions for each calendar year (the twelve month period commencing on January 1 and ending on December 31) from 2021 to 2023.

<b>Quartile 1: Gross Sales Table</b>								
<b>Year</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Average Gross Sales ("AGS")</b>	<b>Number of Teriyaki Shops at or above AGS</b>	<b>Percentage of Teriyaki Shops at or above AGS</b>	<b>Median Gross Sales ("MGS")</b>	<b>Number of Teriyaki Shops at or above MGS</b>	<b>Percentage of Teriyaki Shops at or above MGS</b>
2023	\$2,644,329	\$1,382,324	\$1,702,179	8	38%	\$1,579,574	11	52%
2022	\$2,683,444	\$1,347,585	\$1,689,311	6	38%	\$1,598,504	8	50%
2021	\$2,275,568	\$1,497,308	\$1,774,636	3	33%	\$1,680,912	5	56%

<b>Quartile 2: Gross Sales Table</b>								
<b>Year</b>	<b>High Gross Sales</b>	<b>Low Gross Sales</b>	<b>Average Gross Sales ("AGS")</b>	<b>Number of Teriyaki Shops at or above AGS</b>	<b>Percentage of Teriyaki Shops at or above AGS</b>	<b>Median Gross Sales ("MGS")</b>	<b>Number of Teriyaki Shops at or above MGS</b>	<b>Percentage of Teriyaki Shops at or above MGS</b>
2023	\$1,372,509	\$1,024,689	\$1,189,528	10	48%	\$1,187,513	11	52%
2022	\$1,284,360	\$986,053	\$1,142,484	8	47%	\$1,141,890	9	53%
2021	\$1,477,772	\$1,107,395	\$1,281,451	3	33%	\$1,229,940	5	56%

**Quartile 3: Gross Sales Table**

Year	High Gross Sales	Low Gross Sales	Average Gross Sales (“ <u>AGS</u> ”)	Number of Teriyaki Shops at or above AGS	Percentage of Teriyaki Shops at or above AGS	Median Gross Sales (“ <u>MGS</u> ”)	Number of Teriyaki Shops at or above MGS	Percentage of Teriyaki Shops at or above MGS
2023	\$1,015,903	\$784,667	\$882,931	9	43%	\$866,610	11	52%
2022	\$978,954	\$766,333	\$869,395	9	53%	\$886,066	9	53%
2021	\$1,094,852	\$804,054	\$928,733	5	56%	\$952,732	5	56%

**Quartile 4: Gross Sales Table**

Year	High Gross Sales	Low Gross Sales	Average Gross Sales (“ <u>AGS</u> ”)	Number of Teriyaki Shops at or above AGS	Percentage of Teriyaki Shops at or above AGS	Median Gross Sales (“ <u>MGS</u> ”)	Number of Teriyaki Shops at or above MGS	Percentage of Teriyaki Shops at or above MGS
2023	\$784,587	\$368,639	\$607,834	11	52%	\$639,407	11	52%
2022	\$755,814	\$455,958	\$613,648	9	56%	\$622,664	8	50%
2021	\$780,370	\$525,289	\$660,094	4	44%	\$620,530	5	56%

#### Same Shop Sales Growth Table

The information in the Same Shop Sales Growth Table below contains total same shop Gross Sales growth percentage for all Teriyaki Shops that were open for the entirety of the two years compared and the total stacked same shop Gross Sale growth percentage for all Teriyaki Shops between the stated years that were open for the entirety of the multi-year period compared. The information was derived from information obtained from our franchisees' profit and loss statements and is a historical financial performance representation for the United States franchised Teriyaki Shops.

Same Shop Sales Growth Table						
Year Over Year SSS Growth			Stacked Year Over Year SSS Growth - 2022 & 2021			
Years Compared	Number of Shops Included	Percentage Change in Same Shop Sales	Years Compared	Number of Years Stacked	Number of Shops Included	Percentage Change in Stacked Same Shop Sales
2023 vs 2022	83	2%	2023 Stacked SSS			
2022 vs 2021	73	5%	2023 vs 2021	2 Years	67	8%
2021 vs 2020	52	23%	2023 vs 2020	3 Years	46	34%
2020 vs 2019	35	7%	2023 vs 2019	4 Years	30	41%
2019 vs 2018	28	4%	2023 vs 2018	5 Years	23	43%
2022 Stacked SSS						
2022 vs 2020	2 Years	46	33%			
2022 vs 2019	3 Years	30	41%			
2022 vs 2018	4 Years	23	44%			
2022 vs 2017	5 Years	17	41%			
2021 Stacked SSS						
2021 vs 2019	2 Years	34	32%			
2021 vs 2018	3 Years	25	39%			
2021 vs 2017	4 Years	17	46%			

Notes to Same Shop Sales Growth Table:

6. “Gross Sales” is defined in Notes to Gross Sales Table, Note 1 above.
7. For the percentage change in same shop sales, the following number of Teriyaki Shops were excluded from the following year comparisons because they operated for a period of less than two years: 56 Teriyaki Shops in 2023 vs 2022, 48 Teriyaki Shops in 2022 vs 2021 comparison, 49 Teriyaki Shops in the 2021 vs 2020 comparison, 52 Teriyaki Shops in the 2020 vs 2019 comparison and 34 Teriyaki Shops in the 2019 vs 2018 comparison. For the percentage change in stacked same shop sales, the following number of Teriyaki Shops were excluded from the following year comparisons because they operated for a period of less than indicated on the table: 71 Shops were excluded from the 2023 vs. 2021 comparison, 92 shops were excluded from the 2023 vs. 2020 comparison, 108 shops were excluded from the 2023 vs. 2029 comparison, 115 shops were excluded from the 2023 vs. 2018 comparison and 121 shops were excluded from the 2023 vs. 2017 comparison. 75 Teriyaki Shops were excluded in the 2022 vs. 2020 comparison, 91 Teriyaki Shops in the 2022 vs 2019 comparison, 98 Teriyaki Shops in the 2022 vs 2018 comparison, and 104 Teriyaki Shops in the 2022 vs 2017 comparison.
8. The above financial performance representations figures do not reflect 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 or profit.

Profit and Loss Statements:

The profit and loss statements below are for the 2023 calendar year and are reported by Teriyaki Shop owners. The profit and loss statements below are historical presentations for the 86 franchised Teriyaki Shops that met the Conditions (“2023 Reporting Group”) and that provided profit and loss statements to us, including five Teriyaki Shops of our Predecessor’s affiliate. All Teriyaki Shops represented below have been open for a minimum of 1 year, have not changed ownership in the last year, are not in resale and are in traditional locations. We have not audited these profit and loss statements.

*(Profit and Loss Statements Begin on Next Page)*

Shops open 8+ years at end of 2023

Line Item	Shop A		Shop B		Shop C	
	Dollars	% of Rev	Dollars	% of Rev	Dollars	% of Rev
Total Gross Sales	\$1,986,283	100%	\$1,794,172	100%	\$1,718,037	104%
Total Sales Discounts					-\$67,121	-4%
Total Net Revenue	\$649,463	63 33%	\$503,874	28%	\$1,650,916	100%
Total Cost of Goods Sold	\$421,642	64 2024	\$491,526	27%	\$469,177	28%
Total Payroll & Labor Expenses	\$169,811	9%	\$134,320	7%	\$577,298	35%
Total Occupancy Expenses	\$369,918	19%	\$347,868	19%	\$115,112	7%
Total Other Operating Expenses	\$1,615,835	81%	\$1,477,589	82%	\$201,264	12%
Total Expenses	\$370,448	19%	\$316,583	18%	\$1,362,850	83%
EBITDA					\$288,066	17%



Shops Open Between 6 & 8 years at the end of 2023

Line Item	Shop I		Shop J		Shop K	
	Dollars	% of Rev	Dollars	% of Rev	Dollars	% of Rev
Total Gross Sales	\$2,377,529	102%	\$1,439,226	102%	\$1,027,016	105%
Total Sales Discounts	-\$44,163	-2%	-\$23,862	-2%	-\$45,735	-5%
Total Net Revenue	\$2,333,366	100%	\$1,415,365	100%	\$981,281	100%
Total Cost of Goods Sold	\$756,533	32%	\$448,092	32%	\$313,873	32%
Total Payroll & Labor Expenses	\$774,303	33%	\$467,580	33%	\$385,563	39%
Total Occupancy Expenses	\$189,076	8%	\$155,482	11%	\$93,432	10%
Total Other Operating Expenses	\$401,326	17%	\$175,632	12%	\$144,190	15%
Total Expenses	\$2,121,238	91%	\$1,246,787	88%	\$937,058	95%
EBITDA	\$212,128	9%	\$168,578	12%	\$44,223	5%

  

Line Item	Shop L		Shop M		Shop N	
	Dollars	% of Rev	Dollars	% of Rev	Dollars	% of Rev
Total Gross Sales	\$866,610	104%	\$1,487,446	104%	\$892,770	100%
Total Sales Discounts	-\$30,256	-4%	-\$55,935	-4%	\$269,278	30%
Total Net Revenue	\$836,354	100%	\$1,431,511	100%	\$216,795	24%
Total Cost of Goods Sold	\$252,951	30%	\$387,500	27%	\$68,846	8%
Total Payroll & Labor Expenses	\$171,276	20%	\$357,621	25%	\$231,517	26%
Total Occupancy Expenses	\$85,668	10%	\$107,318	7%	\$786,436	88%
Total Other Operating Expenses	\$120,527	14%	\$303,118	21%	\$106,333	12%
Total Expenses	\$630,422	75%	\$1,155,557	81%		
EBITDA	\$205,932	25%	\$275,954	19%		

  

Line Item	Shop O		Shop P	
	Dollars	% of Rev	Dollars	% of Rev
Total Gross Sales	\$1,400,155	104%	\$1,556,792	105%
Total Sales Discounts	-\$48,566	-4%	-\$77,834	-5%
Total Net Revenue	\$1,351,588	100%	\$1,478,958	100%
Total Cost of Goods Sold	\$457,712	34%	\$435,021	29%
Total Payroll & Labor Expenses	\$407,926	30%	\$401,522	27%
Total Occupancy Expenses	\$61,814	5%	\$78,301	5%
Total Other Operating Expenses	\$274,353	20%	\$382,654	26%
Total Expenses	\$1,201,805	89%	\$1,297,499	88%
EBITDA	\$149,784	11%	\$181,459	12%

Shops Open Between 4 & 6 years at the end of 2023

Line Item	Shop Q		Shop R		Shop S	
	Dollars	% of Rev	Dollars	% of Rev	Dollars	% of Rev
Total Gross Sales	\$1,382,324	104%	\$1,623,247	106%	\$450,714	102%
Total Sales Discounts	-\$56,366	-4%	-\$93,123	-6%	-\$8,429	-2%
Total Net Revenue	\$1,325,958	100%	\$1,530,124	100%	\$442,284	100%
Total Cost of Goods Sold	\$382,957	29%	\$467,738	31%	\$148,376	34%
Total Payroll & Labor Expenses	\$434,584	33%	\$430,048	28%	\$216,572	49%
Total Occupancy Expenses	\$145,152	11%	\$80,327	5%	\$49,182	11%
Total Other Operating Expenses	\$177,363	13%	\$294,409	19%	\$46,232	10%
Total Expenses	\$1,140,055	86%	\$1,272,522	83%	\$460,362	104%
EBITDA	\$185,902	14%	\$257,601	17%	-\$18,077	-4%

  

Line Item	Shop T		Shop U		Shop V	
	Dollars	% of Rev	Dollars	% of Rev	Dollars	% of Rev
Total Gross Sales	\$530,731	104%	\$1,608,869	103%	\$1,024,689	109%
Total Sales Discounts	-\$19,387	-4%	-\$47,264	-3%	-\$80,870	-9%
Total Net Revenue	\$511,344	100%	\$1,561,604	100%	\$943,819	100%
Total Cost of Goods Sold	\$187,072	37%	\$440,451	28%	\$247,198	26%
Total Payroll & Labor Expenses	\$110,361	22%	\$311,973	20%	\$319,030	34%
Total Occupancy Expenses	\$80,086	16%	\$100,361	6%	\$105,680	11%
Total Other Operating Expenses	\$115,664	23%	\$330,207	21%	\$209,055	22%
Total Expenses	\$493,184	96%	\$1,182,992	76%	\$880,962	93%
EBITDA	\$18,160	4%	\$378,612	24%	\$62,857	7%

  

Line Item	Shop W		Shop X		Shop Y	
	Dollars	% of Rev	Dollars	% of Rev	Dollars	% of Rev
Total Gross Sales	\$1,234,227	103%	\$1,150,094	102%	\$1,353,911	103%
Total Sales Discounts	-\$34,670	-3%	-\$27,899	-2%	-\$44,386	-3%
Total Net Revenue	\$1,199,557	100%	\$1,122,195	100%	\$1,309,525	100%
Total Cost of Goods Sold	\$343,923	29%	\$312,326	28%	\$357,133	27%
Total Payroll & Labor Expenses	\$265,699	22%	\$335,701	30%	\$273,363	21%
Total Occupancy Expenses	\$98,552	8%	\$106,560	9%	\$91,899	7%
Total Other Operating Expenses	\$295,547	25%	\$192,016	17%	\$353,032	27%
Total Expenses	\$1,003,721	84%	\$946,603	84%	\$1,075,428	82%
EBITDA	\$195,836	16%	\$175,592	16%	\$234,097	18%

  

Line Item	Shop Z		Shop AA		Shop AB	
	Dollars	% of Rev	Dollars	% of Rev	Dollars	% of Rev
Total Gross Sales	\$885,855	103%	\$779,331	100%	\$1,099,458	103%
Total Sales Discounts	-\$25,987	-3%	-\$2,049	0%	-\$31,319	-3%
Total Net Revenue	\$859,868	100%	\$777,282	100%	\$1,068,139	100%
Total Cost of Goods Sold	\$253,877	30%	\$228,797	29%	\$288,536	27%
Total Payroll & Labor Expenses	\$264,479	31%	\$263,238	34%	\$317,333	30%
Total Occupancy Expenses	\$85,618	10%	\$105,821	14%	\$81,688	8%
Total Other Operating Expenses	\$162,727	19%	\$182,073	23%	\$300,870	28%
Total Expenses	\$766,701	89%	\$779,929	100%	\$988,426	93%
EBITDA	\$93,167	11%	-\$2,647	0%	\$79,713	7%

Line Item	Shop AC		Shop AD		Shop AE	
	Dollars	% of Rev	Dollars	% of Rev	Dollars	% of Rev
Total Gross Sales	\$1,056,265	100%	\$846,314	103%	\$921,834	103%
Total Sales Discounts	-\$1,481	0%	-\$20,714	-3%	-\$29,304	-3%
Total Net Revenue	\$1,054,784	100%	\$825,600	100%	\$892,530	100%
Total Cost of Goods Sold	\$208,785	20%	\$267,889	32%	\$274,925	31%
Total Payroll & Labor Expenses	\$241,775	23%	\$241,572	29%	\$316,579	35%
Total Occupancy Expenses	\$67,789	6%	\$78,405	9%	\$117,116	13%
Total Other Operating Expenses	\$242,706	23%	\$112,137	14%	\$245,735	28%
Total Expenses	\$761,056	72%	\$700,003	85%	\$954,355	107%
EBITDA	\$293,728	28%	\$125,597	15%	-\$61,825	-7%

  

Line Item	Shop AF		Shop AG		Shop AH	
	Dollars	% of Rev	Dollars	% of Rev	Dollars	% of Rev
Total Gross Sales	\$1,122,343	104%	\$1,324,595	105%	\$1,078,428	100%
Total Sales Discounts	-\$48,110	-4%	-\$65,440	-5%	\$304,573	28%
Total Net Revenue	\$1,074,233	100%	\$1,259,155	100%	\$283,594	26%
Total Cost of Goods Sold	\$324,141	30%	\$319,678	25%	\$123,043	11%
Total Payroll & Labor Expenses	\$405,878	38%	\$331,393	26%	\$165,521	15%
Total Occupancy Expenses	\$150,078	14%	\$121,179	10%	\$876,731	81%
Total Other Operating Expenses	\$311,574	29%	\$336,747	27%	\$201,696	19%
Total Expenses	\$1,191,671	111%	\$1,108,998	88%		
EBITDA	-\$117,438	-11%	\$150,157	12%		

Shops Open Between 2 & 4 years at the end of 2023

Line Item	Shop AI		Shop AJ		Shop AK	
	Dollars	% of Rev	Dollars	% of Rev	Dollars	% of Rev
Total Gross Sales	\$1,441,514	104%	\$573,115	111%	\$799,067	102%
Total Sales Discounts	-\$58,931	-4%	-\$58,896	-11%	-\$16,853	-2%
Total Net Revenue	\$1,382,583	100%	\$514,220	100%	\$782,214	100%
Total Cost of Goods Sold	\$411,899	30%	\$184,701	36%	\$248,996	32%
Total Payroll & Labor Expenses	\$464,993	34%	\$194,035	38%	\$281,939	36%
Total Occupancy Expenses	\$105,801	8%	\$141,857	28%	\$81,501	10%
Total Other Operating Expenses	\$279,247	20%	\$120,995	24%	\$85,031	11%
Total Expenses	\$1,261,941	91%	\$641,588	125%	\$697,466	89%
EBITDA	\$120,642	9%	-\$127,369	-25%	\$84,748	11%