

	Provision	Section in Development Agreement	Summary
t)	Integration/merger clause	Section 16	Only the terms of the Development Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of the disclosure document and development agreement may not be enforceable. Notwithstanding the foregoing, nothing in any development agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u)	Dispute resolution by arbitration or mediation	Not applicable	Not applicable
v)	Choice of forum	Section 14	Except for actions brought by us for monies owed, injunctive or extraordinary relief or involving real property, the Proprietary Marks or our confidential information, litigation must be in Ohio (subject to state law).
w)	Choice of law	Section 14	Ohio law applies (subject to state law).

Item 18 PUBLIC FIGURES

Sbarro currently has no arrangements with any public figure for the endorsement of the franchise, or its products or in any other matter.

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.

The outlets reflected in this information have achieved these results. There is no assurance you'll do as well. If you rely upon our figures, you must accept the risk of not doing well.

Factual Basis and Material Assumptions

You should consider the following factual basis and material assumptions when reviewing this Item 19:

1. As of December 29, 2024 we had 371 open and operating company owned and franchised locations in the U.S.
2. The data utilized in Table 1 of Item 19 are based solely on the operating results of the 143 company locations that were open and operating during the entire calendar year of 2024. We did not include any location in the analysis that was not open and operating for such entire calendar year period. All of the locations included offer substantially the same products and services as are currently utilized in substantially all Sbarro locations. It does not include the results of franchised locations or the four company locations that were discontinued during the 2024 calendar year. We do not have comparable figures for franchised locations because, although we have the right to require delivery of audited financial information from our franchisees, we currently do not enforce this right on a regular basis.

3. For purposes of this Item 19, the term “sales” means all revenues received by a location as payment for all sales generated through the location, whether such payment is in cash, by exchange or for credit (and, if for credit, regardless of collection), including revenues received from the operation of vending machines or other mechanical devices, less any revenues taxes collected and transmitted to appropriate taxing authorities.

4. This Item 19 was prepared utilizing data we received in the periodic sales reports tabulated by us from our company locations through daily polling of Point of Sale (POS) data.

5. The cost and expense information in Table 1 of this Item 19 pertains only to the cost of goods sold, labor costs, and other specified operating expenses experienced by the company locations for the period of January 1, 2024 to December 29, 2024. We do not have comparable figures for franchisee owned locations because, although we have the right to require delivery of audited financial information from our franchisees, we currently do not enforce this right on a regular basis. You may experience capitalized or other balance sheet expenditures that are not included in this cost and expense information. Costs and expenses in the operation of a location will vary from franchisee to franchisee and from location to location and will depend on seasonal, local and other factors, like the franchisee’s efficiency in the utilization of products, the cost of transportation, and the fluctuation in market prices for food and other products. Similarly, occupancy costs are not included in these operating expenses due to local and regional variances. In addition, you will pay fees to us which company owned locations do not pay, including, but not limited to, an initial franchise fee, royalties, and other fees that are not reflected in the cost and expense information reported in this Item 19.

6. Labor costs will vary from location to location and will depend on local factors, including (without limitation) local minimum wage laws and local labor market conditions. We make no warranties, representations, predictions, promises or guarantees with respect to the actual expenses you likely will experience. Also, with respect to labor costs, because you will need a certain number of employees to open and operate a location regardless of its gross revenues, locations that have lower than average gross revenues probably will experience higher than average labor costs as a percentage of gross revenues.

7. The financial information in this Item has been prepared by the Company’s management and has not been compiled, reviewed or audited by the Company’s auditors. Accordingly, the auditors do not express an opinion or any other form of assurance with respect thereto and assume no responsibility for the financial information included in this Item.

Financial Performance Representations

Table 1 below contains an analysis of sales and certain operating costs and expenses (cost of goods sold, labor costs and other operating expenses) of the locations for the most recent calendar year. Table 1 is not a profit and loss statement. In Table 1 below, the locations were divided into four categories based on the amount of sales which are classified as: Top Quartile, Second Quartile, Third Quartile and Bottom Quartile. The average sales and certain average operating costs and expenses for each of the categories was calculated by adding the gross revenues or certain operating costs and expenses, as applicable, of all locations within each quartile and dividing by the total number of locations within such quartile. The average sales and costs and expenses in each quartile were then compared to the average sales in such quartile

and expressed as a percentage. Labor costs in Table 1 do not include officer's salaries and benefits for any location that captures or recognizes that expense.

Table 1:

Locations	Quartile	Average Sales	Maximum/Minimum Sales	Cost of Goods Sold	Total Payroll	Other Expenses
35	1	1,415,214	3,214,775 1,002,284	18.3%	28.1%	9.9%
36	2	816,227	979,192 714,129	19.4%	31.7%	12.7%
36	3	628,778	712,479 545,540	20.3%	34.8%	14.8%
36	4	461,304	545,004 322,388	21.6%	40.6%	18.2%

The median sales for the Table 1 reporting locations was \$712,479. The median sales for the first quartile was \$1,276,537, for the second quartile was \$793,034, for the third quartile was \$633,369 and for the fourth quartile was \$462,272.

Additional Information Regarding Item 19

Some restaurants have sold the amounts set forth in the preceding tables. Your individual results may differ. There is no assurance that you will sell as much.

You are urged to consult with appropriate financial, business and legal advisors in connection with the information provided. Written substantiation for the financial performance representation will be made available to the prospective Franchisee upon reasonable request.

Other than the preceding historical financial performance representation, Sbarro 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 Michael Karam, 1328 Dublin Road, Columbus, Ohio 43215, (614) 737-7934, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1

SYSTEMWIDE OUTLET SUMMARY

(Tables include information regarding potential Conversion Restaurants)

For Years 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	157	197	+40
	2023	197	222	+25