

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.

This historical financial performance representation reflects certain actual operating results for the franchised and affiliate-owned CAPRIOTTI'S Restaurants described below during the 2024 calendar year. The unaudited operating results of those franchised and affiliate-owned CAPRIOTTI'S Restaurants are presented separately. All "affiliate-owned" CAPRIOTTI'S Restaurants disclosed in this Item 19 are owned and operated by our wholly-owned or majority-owned and controlled subsidiaries.

All of the CAPRIOTTI'S Restaurants (both franchised and affiliate-owned) whose information is included in this Item 19 are substantially similar to one another in terms of products and services offered and substantially similar to the CAPRIOTTI'S Restaurants for which we offer franchises in this disclosure document. We continue to shore up national distribution, improve operational efficiency and performance, enhance training programs, sign competitive vendor contracts, negotiate national pricing with delivery service providers, and enhance national and local marketing efforts. The "traditional" or "brick and mortar" CAPRIOTTI'S Restaurants disclosed in this Item 19 operate within a retail center, on a stand-alone basis, or at an in-line location with other businesses and have prominent exterior and interior branding. These CAPRIOTTI'S Restaurants operate a minimum of 10 hours per day, 7 days a week. The operational system is consumer-facing, directly serving products to consumers through dine-in and carryout options and indirectly serving consumers through delivery-service providers.

The first portion of this financial performance representation discloses the actual unaudited historical average, median, and high/low annual Gross Sales during 2024 for all franchised (a total of 120 in 2024) and affiliate-owned (a total of 13 in 2024) traditional CAPRIOTTI'S Restaurants in the United States that were open and operating during all of 2024. (The 13 affiliate-owned CAPRIOTTI'S Restaurants include 3 franchised Restaurants—2 in Nevada and one in Pennsylvania—that we reacquired from franchisees during February and October 2024 and therefore were affiliate-owned Restaurants as of the end of 2024.) It also discloses the actual unaudited historical average, median, and high/low annual Gross Sales during 2024 of:

- (i) the franchised (a total of 59 in 2024) and affiliate-owned (a total of 13 in 2024) traditional CAPRIOTTI'S Restaurants that operate in "mature markets" (defined in the tables below);
- (ii) the franchised (a total of 101 in 2024) and affiliate-owned (a total of 13 in 2024) traditional CAPRIOTTI'S Restaurants that had been open for more than 2 full years as of December 31, 2024; and
- (iii) the franchised (a total of 51 in 2024) and affiliate-owned (a total of 9 in 2024) traditional CAPRIOTTI'S Restaurants that had been open for more than 10 full years as of December 31, 2024.

However, this financial performance representation does not include the results of the following 39 Restaurants operating under the CAPRIOTTI'S Mark:

(a) 14 traditional franchised and 2 affiliate-owned Restaurants that opened during 2024 (and therefore were not open for the full 2024 calendar year);

(b) 16 traditional franchised Restaurants that permanently closed during 2024 (and therefore were not open for the full 2024 calendar year); and

(c) 3 franchised Restaurants that operated at non-traditional locations (and are not our prototypical franchised Restaurants); and

(d) 4 traditional franchised Restaurants with limited operating hours (less than 50 hours per week during 2024, while our standard operating hours are a minimum of 70 hours per week).

Besides the annual Gross Sales of all traditional franchised and affiliate-owned CAPRIOTTI'S Restaurants in the United States that were open and operating during all of 2024 (including the 3 franchised Restaurants that we reacquired from franchisees during 2024 and therefore were affiliate-owned Restaurants as of the end of 2024), the second portion of this financial performance representation contains (i) actual partial unaudited operating financial statements for 2024 for each of 10 affiliate-owned and operated traditional CAPRIOTTI'S Restaurants that were open and operated by us during all of 2024 (not including the 3 franchised Restaurants that we reacquired from franchisees during 2024), and (ii) an actual average and median partial unaudited operating financial statement for 2024 for all 10 of those affiliate-owned and operated traditional CAPRIOTTI'S Restaurants.

We obtained the Gross Sales information for franchised CAPRIOTTI'S Restaurants from unaudited sales reports submitted by franchisees. "Gross Sales" is currently defined in our Franchise Agreement as the total of all revenue and other consideration you generate from operating the Restaurant whether from sales for cash or credit, and irrespective of collection, including sales of merchandise, products and services, excluding only (or, if applicable, reduced only by) the following: sales tax if paid to the appropriate government authorities; proceeds from the sale of equipment not in the ordinary course of business; promotional discounts you initiate and formally request and we pre-approve in writing, provided physical evidence of the promotion is retained; discounts granted on food purchased by employees for their own consumption; and any other exclusions or reductions we specifically identify (although without any obligation to do so) in the Manual. All transactions first will be (and must be) entered into the Information System at the full (non-discounted) retail price, plus all related fees and charges, for purposes of calculating Gross Sales. For the avoidance of doubt, Gross Sales are not reduced by the amount paid to, retained or collected by, or shared with third-party food ordering and delivery systems with which your Restaurant does business.

The actual historical average, median, and high/low annual Gross Sales volumes reported below 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. You should independently investigate the costs and expenses you will incur in operating your CAPRIOTTI'S Restaurant. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.

2024 Franchised Restaurants

	2024 Results for All Franchised Restaurants Open During all of 2024***	2024 Results for All Franchised Restaurants Open in Mature Markets as of December 31, 2024****	2024 Results for All Franchised Restaurants Open more than 2 years as of December 31, 2024	2024 Results for All Franchised Restaurants Open more than 10 years as of December 31, 2024
Number of Restaurants in Range	120	59	101	51
Average Unit Volume (\$)	835,358	889,226	831,414	880,331
Highest Sales (\$)	1,728,693	1,711,891	1,647,330	1,647,330
Lowest Sales (\$)	410,584	485,676	460,693	485,676
Number & Percentage of Restaurants Exceeding Average	52 / 43%	21 / 35%	45 / 45%	22 / 43%
Median Unit Volume (\$)	803,670	850,977	984,482	874,436
Average Unit Volume (\$) of Top 25th Percentile*	1,270,078	1,277,794	1,175,028	1,212,266
Highest Sales (\$)	1,728,693	1,711,891	1,647,330	1,647,330
Lowest Sales (\$)	1,023,618	966,469	950,403	950,403
Number & Percentage of Restaurants in Top 25 th Percentile Exceeding Average	9 / 30%	6 / 40%	8 / 32%	5 / 38%
Median Unit Volume (\$) of Restaurants in Top 25 th Percentile	1,222,205	1,271,852	1,133,626	1,124,533
Average Unit Volume (\$) of Bottom 25th Percentile**	526,335	607,242	558,406	626,034
Highest Sales (\$)	595,133	684,355	655,516	734,489
Lowest Sales (\$)	410,584	485,676	460,964	485,676
Number & Percentage of Restaurants in Bottom 25 th Percentile Exceeding Average	14 / 47%	7 / 46%	13 / 52%	8 / 62%
Median Unit Volume (\$) of Restaurants in Bottom 25 th Percentile	537,775	615,494	570,831	660,768

*This includes the top 25% performing Restaurants of the number of Restaurants in the range.

**This includes the bottom 25% performing Restaurants of the number of Restaurants in the range.

***Non-traditional Restaurants and those that operate less than 50 hours per week are excluded from all columns.

****Mature markets in this table are the States of Delaware, Maryland, Nevada, and Pennsylvania. There were 59 franchised Restaurants in those states that were operational during the entire 2024 calendar year. The first CAPRIOTTI'S Restaurant in one of these states opened in June 1976. The most recent CAPRIOTTI'S Restaurant opened in one of these states in February 2024.

2024 Affiliate-Owned Restaurants

	2024 Results for All Affiliate- Owned Restaurants Open During all of 2024*	2024 Results for All Affiliate- Owned Restaurants Open in Mature Markets as of December 31, 2024*	2024 Results for All Affiliate- Owned Restaurants Open more than 2 years as of December 31, 2024**	2024 Results for All Affiliate- Owned Restaurants Open more than 10 years as of December 31, 2024**
Number of Restaurants in Range	13	13	13	9
Average Unit Volume	964,827	964,827	964,827	898,343
Highest Sales	1,470,356	1,470,356	1,470,356	1,470,356
Lowest Sales	616,672	616,672	616,672	616,672
Number & Percentage of Restaurants Exceeding the Average	6 / 46%	6 / 46%	6 / 46%	3 / 33%
Median Unit Volume	948,539	948,539	948,539	744,028

* Mature markets in this table are the States of Nevada and Pennsylvania. There were 12 affiliate-owned Restaurants in Nevada and one affiliate-owned Restaurant in Pennsylvania that were operational during the entire 2024 calendar year (including the 3 franchised Restaurants—2 in Nevada and one in Pennsylvania—that we reacquired from franchisees during February and October 2024 and therefore were affiliate-owned Restaurants as of the end of 2024). The first CAPRIOTTI'S Restaurant opened in Nevada in April 1993. The most recent CAPRIOTTI'S Restaurant opened in Nevada in June 2020.

[New table begins on next page]

See Note 1	NV008 Las Vegas Sahara	NV036 Las Vegas Silverado	NV051 Henderson Horizon	NV054 Sparks Stanford	NV067 Reno Meadows	NV079 Reno Sierra	NV103 Henderson Boulder Hwy	NV111 NLV Craig and Mitchell	NV126 NLV Aliante Pkwy and Nature Park	NV151 LV Huntridge	Average of 10 Affiliate-Owned Restaurants Operated for a Full Year in 2024	Percentage of Total Sales	Number & Percentage of 10 Affiliate-Owned Restaurants Exceeding the Average	Median
Total Sales	673,506	713,528	728,792	1,499,763	813,064	1,499,024	646,308	1,070,245	1,396,168	1,072,455	1,011,285	100.00%	5 / 50%	941,655
Total Prime Cost ⁶	379,959	422,237	397,260	737,731	456,158	759,397	372,575	549,527	700,035	585,785	536,066	53.01%	5 / 50%	502,843
Total Cost of Goods Sold ²	211,084	229,524	225,441	481,148	265,605	492,479	206,587	337,004	426,858	315,452	319,118	31.56%	4 / 40%	290,529
Store Level Salary ³	48,365	51,105	46,952	60,000	56,250	60,000	54,810	49,175	78,256	61,579	56,649	5.60%	5 / 50%	55,530
Store Level Bonus-Salary ⁴	1,173	1,785	1,342	8,073	1,407	1,964	312	2,303	4,866	979	2,420	0.24%	2 / 20%	1,596
Total Payroll & Related ⁵	168,875	192,714	171,818	256,584	190,553	266,918	165,988	212,523	273,177	270,333	216,948	21.45%	4 / 40%	202,619
Total Operating Expense ⁷	121,504	136,133	128,582	194,875	140,355	243,716	125,631	172,997	190,851	133,192	158,784	15.70%	3 / 30%	138,244
Total Non-Controllable Expense ¹²	106,894	84,011	91,308	239,379	171,199	248,856	90,170	180,283	160,226	198,165	157,049	15.53%	6 / 60%	165,713
Total Rent ⁸	58,099	40,991	50,318	65,704	72,841	71,990	49,758	39,455	59,277	100,260	60,869	6.02%	4 / 40%	58,688
Royalty Fee ⁹	38,096	38,672	40,734	87,670	44,349	87,812	35,844	62,437	77,729	39,335	55,268	5.47%	4 / 40%	42,542
National Marketing Fees ¹⁰	13,044	12,608	13,935	29,223	15,675	29,271	12,262	20,812	26,590	14,303	18,772	1.86%	4 / 40%	14,989

See Note 1	NV008 Las Vegas Sahara	NV036 Las Vegas Silverado	NV051 Henderson Horizon	NV054 Sparks Stanford	NV067 Reno Meadows	NV079 Reno Sierra	NV103 Henderson Boulder Hwy	NV111 NLV Craig and Mitchell	NV126 NLV Aliante Pkwy and Nature Park	NV151 LV Huntridge	Average of 10 Affiliate-Owned Restaurants Operated for a Full Year in 2024	Percentage of Total Sales	Number & Percentage of 10 Affiliate-Owned Restaurants Exceeding the Average	Median
Local Marketing Cooperative Fees ¹¹	13,044	12,608	13,935	29,223	15,675	29,271	12,262	20,812	26,590	14,303	18,772	1.86%	4 / 40%	14,989
EBITDA ¹³	65,149	71,147	111,643	327,778	45,352	247,056	57,931	167,438	345,056	155,313	159,386	15.76%	4 / 40%	133,478

**This table excludes 3 affiliate-owned Restaurants in Nevada and Pennsylvania that were reacquired from franchisees in 2024.

The following two line-items calculate (i) the Royalty Fee at 7%, as would be payable by a franchisee that operates a single Restaurant (instead of at the 6% rate that is paid by a multi-unit developer, as noted above and in footnote 9), and (ii) the adjusted EBITDA (see footnote 13) at the 7% (rather than the 6%) Royalty Fee rate:

See Note 1	NV008 Las Vegas Sahara	NV036 Las Vegas Silverado	NV051 Henderson Horizon	NV054 Sparks Stanford	NV067 Reno Meadows	NV079 Reno Sierra	NV103 Henderson Boulder Hwy	NV111 NLV Craig and Mitchell	NV126 NLV Aliante Pkwy and Nature Park	NV151 LV Huntridge	Average of 10 Affiliate-Owned Restaurants Operated for a Full Year in 2024	Percentage of Total Sales	Number & Percentage of 10 Affiliate-Owned Restaurants Exceeding the Average	Median
Royalty Fee ⁹	47,145	49,947	51,015	104,983	56,914	104,932	45,242	74,917	97,732	75,072	70,790	7.00%	4 / 40%	65,916
EBITDA ¹³	56,100	59,872	101,362	310,465	32,787	229,936	48,533	154,958	325,053	119,576	143,864	14.23%	4 / 40%	110,469

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Notes:

1. The Restaurants in this category represent 10 affiliate-owned Restaurants in the State of Nevada (excluding the 2 franchised Restaurants in Nevada that we reacquired from franchisees during 2024).
2. Total Cost of Goods Sold: This includes the total cost of all food, beverages, and paper goods used in the Restaurants. The average Cost of Goods Sold in markets for the affiliate-owned Restaurants from the table above for 2024 was \$319,118 or 31.56% of total sales. A franchisee in a new market with less than 3 open Restaurants could expect that its Cost of Goods Sold will be higher, likely ranging between an additional 1% and 2% of total sales. Some proprietary items might not be stocked by our local distributor, causing an increase in freight costs. If compared to the average above, a 2% increase would increase the average Cost of Goods Sold to approximately \$325,500 or 32.19% of total sales.
3. Store Level Salary: This is the General Manager's salary. Each affiliate-owned Restaurant has one General Manager.
4. Store Level Bonus–Salary: Each General Manager has the opportunity to earn a bonus based on his or her management of Cost of Goods Sold and Labor.
5. Total Payroll & Related: This includes all salary and hourly wages, bonuses, taxes, and benefits paid at each affiliate-owned Restaurant.
6. Total Prime Cost: This is the sum of Cost of Goods Sold plus Total Payroll & Related.
7. Total Operating Expense: This includes comps, promos, cleaning supplies, linen, uniforms, equipment (purchases and rentals), repairs and maintenance, pest control, marketing and advertising, delivery expense, music, technology, telephone, permits, licenses, security, office supplies, postage, bank charges, credit card fees, and professional services.
8. Total Rent: This includes base rent, common area maintenance, property tax, insurance, and (at some of our locations) a fee to be included on monument or pylon signs.
9. Royalty Fee: Two affiliate-owned Restaurants pay a Management Fee equal to a 6% Royalty Fee. In this example, we take into account the payment of Royalty Fees for all 10 locations. Royalties are not paid on discounts or couponing. Our accounting system breaks up the 12 months into 13 separate 4-week accounting periods. This table represents the Royalty Fee of 6%, which would be paid by a multi-unit developer under the terms of an Area Development Agreement or Development Rights Agreement (rather than the 7% Royalty Fee payable by a franchisee who operates a single Restaurant).
10. Marketing Fee–National: Each affiliate-owned Restaurant contributes to the National Marketing Fund. While we have the right to collect 4% of Gross Sales towards the National Marketing Fund, we currently collect 2%. In this example, we take into account the payment of National Marketing Fees for all 10 locations. Our accounting system breaks up the 12 months into 13 separate 4-week accounting periods.
11. Marketing Fees–COOP: All 10 affiliate-owned Restaurants contribute to the Las Vegas Cooperative. In this example, we take into account the payment of Marketing COOP Fees for all 10 locations. Our accounting system breaks up the 12 months into 13 separate 4-week accounting periods.

12. Total Non-Controllable Expense: This includes total rent, in some instances personal property tax, electricity, gas, sewer, trash removal, water, TV, Management Fee (Royalty Fee), Marketing Fees—National Fund & Local Cooperative, and accounting fees.
13. EBIDTA: This calculation uses the following formula (Total Sales minus Total Prime Cost minus Total Operating Expense minus Total Non-Controllable Expense = EBIDTA).

Some CAPRIOTTI'S Restaurants have earned these amounts. Your individual results may differ. There is no assurance that you will earn as much.

Written substantiation of all financial performance information presented in this financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representation, we do 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 Brent Erwin, Chief Financial Officer, 6056 S. Durango Drive, Las Vegas, Nevada 89113, (702) 736-3878, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

All year-end numbers appearing in the tables below are as of December 31 in each year. The "Company-Owned" outlets referenced in tables 1, 4, and 5 below are owned by one or more of our wholly-owned or majority-owned and controlled subsidiaries.

Table No. 1

Systemwide Outlet Summary for years 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	110	126	+16
	2023	126	143	+17
	2024	143	138	-5
Company- Owned	2022	14	10	-4
	2023	10	10	0
	2024	10	15	+5
Total Outlets	2022	124	136	+12
	2023	136	153	+17
	2024	153	153	0