

THE DEVELOPMENT AGREEMENT		
Provision	Section In the Development Agreement	Summary
		intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section 13.7	Subject to applicable state law, We do not allow Arbitration. We do, however, require multiple Mediation sessions prior to litigation. Except for actions or claims for injunctive relief or specific performance or relating to the Marks, Trade Secrets or Confidential Information, all disputes must be mediated in Williamson County, Texas, unless modified by an attached State Addendum.
v. Choice of forum	Section 13.2	Subject to applicable state law, claims for injunctive relief or specific performance may be brought by Us where We are located, where Our counsel is located, where the claim arose or where You are located.
w. Choice of law	Section 13.1	Texas law applies, unless modified by an attached State Addendum, except that disputes regarding the Marks will be governed by the United States Trademark Act of 1946 (Lanham Act, 15 U.S.C. Sec. 1051 et seq.).

ITEM 18. PUBLIC FIGURES

We have no public figures within the Rosati's Pizza Franchise System at the time of this Disclosure Document.

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.

Other than the following financial performance representation, Rosati's Pizza Enterprises, Inc. 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 at 1320 Arrow Point Drive, Ste 50190, Cedar Park, TX 78613 or email at info@rosatisfranchising.com or telephone (847) 915-9174, the Federal Trade Commission, and the appropriate state regulatory agencies.

Overall Assumptions –

The financial performance representations provided include certain calculations of Gross Sales. All such calculations are based on Gross Sales reported by franchised restaurant owners on the web-based point of sale system to which We have access. This information has not been audited and we have

not taken any steps to independently verify the accuracy of the information submitted for each of these restaurants. Prior to February 2022, all franchised Rosati's Pizza restaurants operated under franchise agreements with RFI.

"Gross Sales" as used in this Item 19 were determined in the same manner You will determine Your Restaurant's Gross Sales under Your Franchise Agreement for purposes of calculating the Royalty Fee. Gross Sales as used in this financial performance representation means the total of all sales of food and beverages (non-alcoholic and alcoholic) made in, upon or from the restaurant, whether for cash, check, credit or otherwise, less sales tax collected from customers and paid to the applicable tax authorities, coupons and discounts to customers, and delivery charges collected and paid to the delivery drivers were not included in Gross Sales. No other offsets were made to the total gross sales numbers reported on the point-of-sale system.

Cost Assumptions used in the following forecast of future financial performance projections

- You will have the monthly expenditures as described in Your Franchise Agreement, including the Royalty Fee of five percent (5%) of Gross Sales per week;
- You will have a National/ Regional Advertising Fee of Three Hundred Fifty Dollars (\$350.00) per month or one percent (1%) of Gross Sales, whichever is greater;
- You may spend up to 3% in a local co-oped advertising program, however, it is not mandatory.
- Your Initial Fees, Area Development Fee, if applicable, Hardware and Software costs are not included in the below cost projections, only the weekly & monthly expenditures are represented.

Sports Pubs

For purposes of this financial performance representation, a Rosati's Pizza franchised sports pub has full table service and dine-in seating, a bar, a décor package approved by us, a menu that includes food, non-alcoholic beverages, beer, wine, and in some cases, hard liquor, and offers carryout and delivery services. You should only rely on this section of the financial performance representation if You intend to establish a franchised sports pub.

Average Gross Sales of Franchised Sports Pubs for 2024

The following is a statement of the average gross sales of 37 Rosati's Pizza franchised sports pubs for the calendar year 2024. As of December 31, 2024, we had 131 franchised Rosati's Pizza sports pubs and carryout/delivery restaurants in operation. Of these 131 restaurants, 38 restaurants were operating as franchised sports pubs as defined above. 1 of the 38 franchised sports pubs was not included in this average because it had not been in operation for all 12 months of 2024. The 37 franchised sports pubs included in the average have been in operation as Rosati's Pizza restaurants for time periods ranging from 1 year, 2 months to 27 years.

Average Gross Sales	Units Meeting or Exceeding Avg	Range of Gross Sales	Median Gross Sales
\$1,242,649	16 (43%)	\$313,456 - \$2,692,380	\$1,056,407

Explanatory Notes:

The following should be considered in reviewing and determining whether to rely on these figures.

- 1) A newly established restaurant without brand recognition in the local market or a customer base cannot expect to initially experience the same level of gross sales as the gross sales of established businesses.
- 2) Based on the restaurants excluded for the reasons described above, this financial performance representation is based on 97% of the franchised sports pubs in operation as of December 31, 2024.
- 3) 27% of the franchised sports pubs included in the average are located in the greater Chicago, Illinois area where the brand was first established in 1964. Accordingly, the results achieved by these restaurants may not be typical of those that may be achieved in a prospective franchisee's area.
- 4) This financial performance representation does not include information concerning profits that may be realized in the operation of a Rosati's Pizza franchised sports pub. Profits in the operation of a Rosati's Pizza sports pub will vary from restaurant to restaurant and from location to location and are dependent upon numerous factors beyond our control.
- 5) Factors which may cause material differences in the gross sales of a Rosati's Pizza franchised sports pub include but are not necessarily limited to the following:
 - * Management and business experience of the franchise owner and the amount of time the franchise owner spends working in the business
 - * The Length of time the restaurant has been in operation at the location
 - * How closely the ROSATI'S PIZZA System, including recipes, are followed
 - * Quality of customer service
 - * Quality of products prepared
 - * Size of premises and amount of seating
 - * Prices charged to customers
 - * Whether hard liquor is sold
 - * Average time to deliver product to customer
 - * Location, visibility and accessibility of the restaurant
 - * Local demographic factors, including population density and income
 - * Local competition
 - * Marketing and promotional efforts of the owner

Sports Pubs Comparison of 2024 vs. 2023 vs. 2022 Gross Sales

The Franchise system showed an increase of \$784 in Average Gross Sales over 2023, and a decrease of \$60,577 in Median Gross Sales for 2023. In 2024, the Franchise system showed an increase of \$77,391 in Average Gross Sales over 2022, and a decrease of \$23,151 in Median Gross Sales for 2022.

Average Gross Sales of Franchised Sports Pubs for 2023

The following is a statement of the average gross sales of 34 Rosati's Pizza franchised sports pubs for the calendar year 2023. As of December 31, 2023, we had 126 franchised and affiliate-owned Rosati's Pizza sports pubs and carryout/delivery restaurants in operation. Of these 126 restaurants, 38 restaurants were operating as franchised sports pubs as defined above. 2 of the 38 franchised sports pubs were not included in this average because they had not been in operation for all 12 months of 2023 and 2 of the 38 franchised sports pubs was not included in this average because it was not operating as a franchised sports pub for all 12 months of 2023. The 34 franchised sports pubs included in the average have been in operation as a Rosati's Pizza restaurant for a period of time ranging from 1 year, 6 months to 26 years.

Average Gross Sales	Units Meeting or Exceeding Avg	Range of Gross Sales	Median Gross Sales
\$1,241,865	12 (35%)	\$398,723 - \$2,384,732	\$1,116,984

Sports Pubs Comparison of 2023 vs. 2022 Gross Sales

The Franchise system showed an increase of \$76, 607 in average Gross Sales over 2022, and an increase of \$83,728 in Median Gross Sales.

Average Gross Sales of Franchised Sports Pubs for 2022

The following table presents Gross Sales data for the 36 franchised Sports Pubs that were open and operating for all of the 2022 year. As of December 31, 2022, there were 123 franchised Rosati's Pizza restaurants open and operating, of which 41 franchised Sports Pubs were open and operating, but we have excluded 6 franchised Sports Pubs from the data presented below because they had not been in operation for all 12 months of 2022, either because they opened during or permanently ceased operations during, the 2022 calendar year.

Average Gross Sales	Units Meeting or Exceeding Avg	Range of Gross Sales	Median Gross Sales
\$1,165,258	13 (36%)	\$512,665 - \$2,535,350	\$1,033,256

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Carryout / Delivery Restaurants

Average Gross Sales of Franchised Carryout / Delivery Restaurants for 2024

The following is a statement of the average gross sales of 81 Rosati's Pizza carryout/delivery franchised restaurants for the calendar year 2024. As of December 31, 2024, we had 131 franchised Rosati's Pizza sports pubs and carryout/delivery restaurants in operation. Of these 130 restaurants, 92 restaurants were operating as carryout/delivery franchised restaurants. 11 of the 92 carryout/delivery franchised restaurants were not included in this average because they had not been in operation for all 12 months of 2024. The carryout/delivery franchised restaurants included in the average have been in operation as Rosati's Pizza restaurants as of December 31, 2024 for time periods ranging from 1 year, 2 months to 57 years.

Average Gross Sales	Units Meeting or Exceeding Avg	Range of Gross Sales	Median Gross Sales
\$669,995	34 (42%)	\$111,432 to \$1,804,088	\$612,355

Explanatory Notes:

The following should be considered in reviewing and determining whether to rely on these figures.

- 1) A newly established restaurant without brand recognition in the local market or a customer base cannot expect to initially experience the same level of gross sales as the gross sales of established businesses.
- 2) Based on the restaurants excluded for the reasons described above, this financial performance representation is based on 90% of the carryout/delivery franchised restaurants in operation as of December 31, 2023.
- 3) 61% of the carryout/delivery franchised restaurants included in the average are located in the greater Chicago, Illinois area where the brand was first established in 1964. Accordingly, the results achieved by these restaurants may not be typical of those that may be achieved in a prospective franchisee's area.
- 4) This financial performance representation does not include information concerning profits that may be realized in the operation of a Rosati's Pizza carryout/delivery franchised restaurant. Profits in the operation of a Rosati's Pizza carryout/delivery restaurant will vary from restaurant to restaurant and from location to location and are dependent upon numerous factors beyond Our control.
- 5) Factors which may cause material differences in the gross sales of a carryout/delivery franchised restaurant include but are not necessarily limited to the following:
 - Management and business experience of the franchise owner and the
 - amount of time the franchise owner spends working in the business
 - The Length of time the restaurant has been in operation at the location
 - How closely the Rosati's Pizza System, including recipes, are followed
 - Quality of customer service
 - Quality of products prepared
 - Size of premises and amount of seating

- Prices charged to customers
- Average time to deliver product to customer
- Location, visibility and accessibility of the restaurant
- Local demographic factors, including population density and income
- Local competition
- Marketing and promotional efforts of the owner

Average Gross Sales of Franchised Carryout / Delivery Restaurants for 2023

The following is a statement of the average gross sales of 79 Rosati's Pizza carryout/delivery franchised restaurants for the calendar year 2023. As of December 31, 2023, we had 126 franchised and affiliate-owned Rosati's Pizza sports pubs and carryout/delivery restaurants in operation. Of these 126 restaurants, 88 restaurants were operating as carryout/delivery franchised restaurants. 9 of the 88 carryout/delivery franchised restaurants were not included in this average because they had not been in operation for all 12 months of 2023. The carryout/delivery franchised restaurants included in the average have been in operation as a Rosati's Pizza restaurant as of December 31, 2023, for a period of time ranging from 1 year, 3 months to 56 years.

Average Gross Sales	Units Meeting or Exceeding Avg	Range of Gross Sales	Median Gross Sales
\$664,967	32 (41%)	\$140,477 to \$1,956,864	\$582,914

Restaurant Comparison of 2023 vs. 2022 Gross Sales

The Franchise system showed a five percent (5%) increase of the number of units meeting or exceeding the average Gross Sales over 2022, and an increase of \$935 in Median Gross Sales.

Average Gross Sales of Franchised Carryout / Delivery Restaurants for 2022

The following table presents Gross Sales data for the 77 franchised Carryout/Delivery Restaurants that were open and operating for all of the 2022 year. As of December 31, 2022, there were 123 franchised Rosati's Pizza restaurants open and operating, of which 82 franchised Carryout/Delivery Restaurants were open and operating, but we have excluded 5 franchised Carryout/Delivery Restaurants from the data presented below because they had not been in operation for all 12 months of 2022, either because they opened during or permanently ceased operations during, the 2022 calendar year.

Average Gross Sales	Units Meeting or Exceeding Avg	Range of Gross Sales	Median Gross Sales
\$687,472	28 (36%)	\$90,304 - \$1,957,008	\$581,979

Gross Sales will vary. In particular, the Gross Sales of Your Franchised Business will be directly affected by many factors, such as: (a) geographic location; (b) competition from other similar businesses in Your area; (c) sales and marketing effectiveness based on market saturation; (d) Your vendors and service pricing; (e) vendor pricing for materials, supplies, and inventory; (f) labor costs; (g) ability to generate clients; (h) client loyalty; and (i) employment pricing; and (j) tax conditions in the market. Any such factor may differ materially from those that may exist for a franchise offered to You or from other corporate or Franchisee results.

Importantly, You should not consider the Gross Sales presented above to be the actual potential Gross Sales that You will realize, these are actual numbers that other owners have achieved. We do not

represent that You can or will attain those or similar revenues or margins or any particular level of Gross Sales. We do not represent that You will generate income, which exceeds the initial payment for or investment in, Your franchise.

Based on all of the matters mentioned in this Item, We recommend that You make Your own independent investigation to determine whether the franchise may be profitable and worth the risk. You should use this information only as a reference in conducting Your analysis and in preparing Your own projected income statements and cash flow statements. We strongly suggest that You consult Your financial advisor or personal accountant concerning financial projections; federal, state and local income taxes; and any other applicable taxes that You may incur in owning and operating a franchised business.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Exhibit B provides a complete list of Our Franchisees. If You become a franchisee, Your contact information may be disclosed to other buyers during and when You leave the franchise system. The following tables reflect the status of Our Franchisees from 2022 through 2024.

Table No. 1
**Systemwide Outlet Summary
For Years 2022-2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	123*	+123
	2023	123	126	+3
	2024	126	131	+5
Affiliate-Owned	2022	0	2	+2
	2023	2	1	-1
	2024	1	0	-1
Total Outlets	2022	0	125	+125
	2023	125	127	+2
	2024	127	131	+4

*Note: The Total number of Franchisees are listed in Exhibit B attached. In February 2022, 123 franchise agreements for open Rosati's Pizza Restaurants were assigned from RFI to Us.