

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.

Please carefully read all information in this Item 19, including the Notes and other statements following the table. Those Notes and other statements explain the information and limitations on the information contained in the Tables. Written substantiation for the financial performance representation will be made available to a prospective franchisee on reasonable request.

The following tables present unaudited information for the 2024 calendar year for outlets that reported and were owned and operated by third party franchisees for the full 2024 calendar year. In calculating these numbers, we included the financial information only for the franchises that had been in operation for the full calendar year and reported sufficient information and we excluded information about franchisees that began operating after January 1, 2024 or ceased or suspended operating before December 31, 2024. There were a total of 27 franchised outlets as of December 31, 2024. However, only 23 of these franchised outlets were in operation for the entire fiscal year of 2024. We excluded 1 franchised outlet because they opened during the 2024 reporting period. We excluded 3 outlets because the franchise was transferred during the year and had a temporary closure during the transfer transition. We also excluded the 2 outlets in Forth Worth, Texas and Lenexa, Kansas that were owned and operated by our former officer Julie Burleson. In Table 3, we also excluded 3 outlets that did not report to us sufficient expense and margin information.

The financial performance representations in the tables include:

- Table 1 – 2024 annual gross sales
- Table 2 – 2024 monthly gross sales
- Table 3 – 2024 net profit margins

The data in the following tables comes from the reported historical performance. See the notes following the tables for additional information.

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The following Table 1 shows average and median 2024 Annual Gross Sales data for the 23 franchised outlets that operated and reported sales data for the 2024 calendar year. The first four subsets divide the 23 franchises into quartile rankings that each constitute approximately one-quarter of the total group: top quartile (6 franchises), second quartile (6 franchises), third quartile (5 franchises), and bottom quartile (6 franchises). The last subset shows all 23 included franchises.

Table 1

AVERAGE AND MEDIAN ANNUAL GROSS SALES							
<u>Ranking by Average Gross Sales</u>	<u>Total Franchisees</u>	<u>Average Annual Gross Sales (US\$)</u>	<u># (and %) of Franchisees at or above Average</u>	<u>Median Gross Sales (US\$)</u>	<u># (and %) of Franchisees at or above Median</u>	<u>High</u>	<u>Low</u>
1st Quartile	6	\$463,253	2 (33%)	\$424,791	3 (50%)	\$702,189	\$374,668
2nd Quartile	6	\$257,705	2 (33%)	\$254,682	3 (50%)	\$280,531	\$243,580
3rd Quartile	5	\$225,941	3 (60%)	\$231,556	3 (60%)	\$242,157	\$191,957
4th Quartile	6	\$159,103	3 (50%)	\$161,855	3 (50%)	\$185,958	\$120,083
All Franchisees	23	\$278,699	7 (30%)	\$243,580	12 (52%)	\$702,189	\$120,083

Note 1: As used in Table 1, “Annual Gross Sales” means the aggregate amount of all revenue and receipts for the 2024 calendar year derived from operations of a franchise, whether from cash, check, or credit, but excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority.

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The following Table 2 shows average and median 2024 Monthly Gross Sales data for the 23 franchised outlets that operated and reported sales data for the 2024 calendar year.

Table 2

AVERAGE AND MEDIAN MONTHLY GROSS SALES							
<u>Month</u>	<u>Total Franchisees</u>	<u>Average Monthly Gross Sales (US\$)</u>	<u># (and %) of Franchisees at or above Average</u>	<u>Median Gross Sales (US\$)</u>	<u># (and %) of Franchisees at or above Median</u>	<u>High</u>	<u>Low</u>
1/1/24	23	\$20,866	9 (39%)	\$18,222	12 (52%)	\$38,101	\$3,658
2/1/24	23	\$25,069	8 (35%)	\$21,511	12 (52%)	\$53,416	\$9,521
3/1/24	23	\$27,105	9 (39%)	\$24,111	12 (52%)	\$73,551	\$7,764
4/1/24	23	\$28,725	8 (35%)	\$23,771	12 (52%)	\$93,113	\$8,156
5/1/24	23	\$31,414	8 (35%)	\$28,615	12 (52%)	\$67,469	\$11,274
6/1/24	23	\$27,431	9 (39%)	\$24,480	12 (52%)	\$58,834	\$14,063
7/1/24	23	\$24,491	8 (35%)	\$20,176	12 (52%)	\$86,970	\$11,267
8/1/24	23	\$16,722	7 (30%)	\$14,969	12 (52%)	\$35,811	\$4,532
9/1/24	23	\$18,186	6 (26%)	\$15,899	12 (52%)	\$63,425	\$5,643
10/1/24	23	\$17,433	5 (22%)	\$14,799	12 (52%)	\$51,735	\$6,482
11/1/24	23	\$20,111	6 (26%)	\$17,656	12 (52%)	\$61,182	\$8,318
12/1/24	23	\$21,095	8 (35%)	\$17,054	12 (52%)	\$64,507	\$10,032

Note 2: As used in Table 2, “Monthly Gross Sales” means the aggregate amount of all revenue and receipts for the give calendar month derived from operations of a franchise, whether from cash, check, or credit, but excluding all federal, state or municipal sales, use or service taxes collected from customers and paid to the appropriate taxing authority.

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The following Table 3 shows average and median 2024 Net Profit Margins data for the 20 franchised outlets that operated and reported expense and margin data for the 2024 calendar year.

Table 3

NET PROFIT MARGIN OF REPORTING FRANCHISES FOR FY 2024							
Expenses as % of Gross Revenue (3)	<u>Total Franchisees</u>	Average	<u># (and %) at or above Average</u>	Median	<u># (and %) at or above Median</u>	<u>High</u>	<u>Low</u>
Rent (4)	20	19.35%	10 (50%)	19.64%	10 (50%)	43.17%	6.46%
Payroll (5)	20	32.20%	11 (55%)	32.87%	10 (50%)	48.05%	15.07%
COGS (6)	20	9.65%	9 (45%)	9.62%	10 (50%)	15.57%	5.19%
Advertising (7)	20	3.36%	9 (45%)	3.23%	10 (50%)	7.55%	0.12%
Utilities (8)	20	2.87%	8 (40%)	2.67%	10 (50%)	5.25%	1.07%
Bank and Card Fees (9)	20	2.94%	8 (40%)	2.77%	10 (50%)	7.41%	0.43%
Insurance	20	1.00%	8 (40%)	0.79%	10 (50%)	3.39%	0.16%
Royalty/Advertising Fee	20	8.00%	20 (100%)	8.00%	20 (100%)	7.00%	7.00%
Technology (flat fee)	20	1.10%	9 (45%)	1.09%	10 (50%)	1.84%	0.38%
Total Avg. Expenses	20	80%		81%			
Total Avg. Net Profit Margin (12)	20	20%		19%			

Note 3: “Expenses as % of Gross Revenue” is defined as each outlet’s reported gross revenue and expenses, by category, as a % of the outlet’s gross revenue, then averaged across all outlets. This figure does not include incident/one-time repairs and/or maintenance expenses that may be incurred by outlets.

Note 4: “Rent” includes rent and lease payments for the franchise location and also include triple net (NNN) costs of property taxes, building insurance, and maintenance expenses and common area maintenance (CAM) costs and charges that landlords pass on to tenants.

Note 5: “Payroll” includes gross payroll and wages and salaries paid to employees and include payroll taxes.

Note 6: “COGS” includes the ‘Cost of Goods Sold’ which are the direct costs associated with producing a product or delivering a service, such as groceries, paper goods, supplies.

Note 7: We recommend that you spend 3% of Gross Revenue on local advertising, however this is not a requirement.

Note 8: “Utilities” include various utilities expenses, such as electric, water, internet, and phone costs.

Note 9: “Bank and Card Fees” include processing fees and transaction costs charged by bank, credit card, and merchant processors.

Note 10: The Royalty Fee is 6% of Gross Sales and the Advertising Fee is 2% of Gross Sales.

Note 11: The monthly Technology Fee is \$250 per month.

Note 12: “The Total Avg. Net Profit Margin” is the Total Gross Revenue for each franchise minus the Cost of Goods Sold, labor expenses, and other expenses as listed in the above table, expressed as a percent of Gross Revenue.

As noted above, we had 27 franchised outlets as of December 31, 2024, of which 23 operated for the entire calendar year. We excluded 1 franchised outlet because they opened during the 2024 reporting period. We excluded 3 outlets because the franchise was transferred during the year and had a temporary closure during the transfer transition. We excluded 3 outlets because they did not report to us sufficient information regarding their expenses and margins. We also excluded the 2 outlets in Forth Worth, Texas and Lenexa, KS that is owned and operated by our former officer Julie Burleson.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you’ll earn as much.

Written substantiation of the information contained in this Item 19 will be made available to prospective franchisees 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 Location, 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 from an employee of YCA Franchising, Inc., you should report it to the franchisor’s management by contacting Leigh Feldman, 10412 China Spring Rd Ste F #1157 Waco, TX 76708, 503-327-3009, the Federal Trade Commission, and the appropriate state regulatory agencies.

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Item 20.
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
Systemwide Outlet Summary
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	22	23	+1
	2023	23	24	+1
	2024	24	27	+3
Company-Owned	2022	1	1	0
	2023	1	2	+1
	2024	2	2	0
Total Outlets	2022	23	24	+1
	2023	24	26	+2
	2024	26	29	+3

Notes:

1. We do not own or operate any *Young Chefs Academy*® franchise. The “Company-Owned” outlets are owned by our affiliates for the purposes of this table and all other tables under Item 20.

TABLE NO. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2022 to 2024

State	Year	Number of Transfers
Arkansas	2022	0
	2023	0
	2024	1
Georgia	2022	1
	2023	0
	2024	0
Louisiana	2022	0
	2023	0
	2024	1
Maryland	2022	1
	2023	0
	2024	0
Ohio	2022	0
	2023	0
	2024	1
Texas	2022	0
	2023	0