

Provision	Section in Development/ Relationship Agreement	Summary
t. Integration/merger clause	(GB - 21/ PS - 20 / H - 22) and Section 4.11 of Relationship Agreement	Only written terms of Development Agreement and Relationship Agreement are binding. Any other promises may not be enforceable, except that the Development Agreement and Relationship Agreement do not disclaim any representations made in this disclosure document.
u. Dispute resolution by arbitration or mediation	Section 4.04(b) of Relationship Agreement	Not Applicable
v. Choice of forum	(GB - 19/ PS - 18/ H - 20) and Section 4.04(c) of Relationship Agreement	Litigation to be brought in Ohio (subject to state law).
w. Choice of law	(GB - 19/ PS - 18/ H - 20) and Section 4.03 of Relationship Agreement	Ohio law applies (subject to state law).

ITEM 18

PUBLIC FIGURES

Quality does not use any public figure to promote the sale of its 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 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 following tables and notes provide financial performance representations that are historical, and that are based on information from existing Company Restaurants owned by one or more affiliates of Quality ("Company Restaurants") and Franchise Restaurants operated independently by franchisees ("Franchise Restaurants" and together, "Wendy's Restaurants").

Before beginning to review the information contained within this Item 19, please note the following:

1. There are six tables that follow. Please read them together with all notes and explanatory information contained in the conclusion below.
2. Quality will make available to you, on reasonable request, written substantiation of the data used in preparing the statements listed in this Item 19.

3. Other than the following 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 Kris Kaffenbarger, Vice President, Global System Optimization, Franchise & Portfolio Management, the Federal Trade Commission, and the appropriate state regulatory agencies.
4. Some outlets have earned the amounts reflected in this item. Your individual results may vary. There are no assurances that you'll earn as much.
5. As of the end of fiscal year 2024 (January 1, 2024 through December 29, 2024) ("Fiscal Year 2024"), excluding Wendy's Restaurants located in U.S. Territories, there were 381 domestic Wendy's Company Restaurants; and 5,552 domestic Wendy's Franchised Restaurants.
6. As used in this Item, "Gross Sales" is defined as all income less: taxes, refunds, and amounts from coupon or discount programs. Sales levels vary considerably due to a variety of factors, such as: local popularity, hours of operation, size, competition from other restaurants, especially fast food businesses in proximity, weather conditions, traffic flow, accessibility and visibility of the restaurant, the economic conditions in the locality, and the business abilities and efforts of franchisees.
7. As used in Tables 1 - 3 and Table 5, the Restaurant sales volumes for Franchised Restaurants are based on a combination of weekly sales data submitted by Wendy's franchisees, as well as automated data generated by the restaurant point of sale system. We have not independently verified that these reports were true and correct.

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Average Gross Sales

Table 1: U.S. AVERAGE GROSS SALES FOR THE PERIOD JANUARY 1, 2024 TO DECEMBER 29, 2024 (FISCAL YEAR 2024)		
	Company Restaurants	Franchise Restaurants
Number of Restaurants	370	5,325
Average Annual Gross Sales	\$2,326,904	\$2,108,454
Median	\$2,229,249	\$1,984,382
(Min - Max)	(\$1,107,758 ¹ - \$4,812,638 ²)	(\$345,222 ³ - \$8,344,302 ⁴)
Number of Restaurants at or Above Average	151	2,260
(% of Restaurants)	40.8%	42.4%

NOTES TO TABLE 1

- For purposes of this Item 19, Quality only includes Wendy's Restaurants which had at least 52 weeks of consecutive sales within the past 12 months. In Table 1, 35 Company Restaurants and 401 Franchise Restaurants are excluded as they had less than 52 consecutive weeks of sales. Of these Restaurants, during Fiscal Year 2024, there were 21 Restaurants owned by one or more affiliates of Quality that closed permanently and 177 Restaurants owned by Wendy's Franchisees that closed permanently. Additionally, there were 3 Restaurants owned by one or more affiliates of Quality that were acquired by Wendy's Franchisees. No Restaurants closed after being open less than 12 months.

¹ Location in Kissimmee, Florida

² Location in Quincy, Massachusetts

³ Location in Baton Rouge, Louisiana

⁴ Location in Seattle, Washington

Table 2: U.S. AVERAGE GROSS SALES - Non-Traditional Franchise Restaurants Only¹ FOR THE PERIOD JANUARY 1, 2024 TO DECEMBER 29, 2024 (FISCAL YEAR 2024)				
	Transportation	Fuel	Food Court	Military
Number of Restaurants	20	223	17	9
Average Annual Gross Sales	\$4,052,626	\$2,140,611	\$1,518,680	\$1,828,811
Median	\$3,919,499	\$2,008,782	\$1,446,426	\$2,047,883
(Min - Max)	(\$1,443,646 - \$8,344,302)	(\$636,351 - \$4,550,154)	(\$766,656 - \$2,609,247)	(\$431,532 - \$3,156,679)
Number of Restaurants at or Above Average	9	99	6	5
(% of Restaurants)	45.0%	44.4%	35.3%	55.6%

¹ Non-Traditional Company sites are not included as the sample size is insufficient. Transportation includes airports, train stations, bus stations, and ferry stations. In Fiscal Year 2024, most Transportation sites were airports. Fuel includes gas/c-store combinations, highway service plazas, and travel centers/truck stops, some of which support a traditional menu and drive-thru. Food Courts span hospitals, malls, and universities/colleges. Military is inclusive of sites at military bases.

Table 2B: U.S. Restaurants - Average Gross Sales by Urbanicity Segment¹ FOR THE PERIOD JANUARY 1, 2024 TO DECEMBER 29, 2024 (FISCAL YEAR 2024)				
	Urban	Suburban	Rural	TOTAL
Number of Restaurants	694	3,270	1,731	5,695
Average Annual Gross Sales	\$2,435,714	\$2,053,212	\$2,128,296	\$2,122,646
Median	\$2,240,057	\$1,943,144	\$2,045,357	\$2,045,357
(Min - Max)	(\$710,702 - \$6,143,269)	(\$345,222 - \$8,344,302)	(\$716,209 - \$6,109,978)	(\$345,222 - \$8,344,302)
Number of Restaurants at or Above Average	292	1,426	768	2,433
(% of Restaurants)	42.1%	43.6%	44.4%	42.7%

¹The Notes to Table 1 also apply to this table. This table represents both Wendy's Company and Franchise restaurants. Wendy's Urbanicity segments were developed to describe the level of population and employment density surrounding any particular location utilizing demographic data provided from the Environmental Systems Research Institute, Inc. The Urbanicity segments described above are defined by Wendy's based on this data. Urban restaurant locations include, but are not limited to, the most densely populated areas of the country usually characterized by vertical development and the metropolitan areas containing or that surround these densely populated areas. Suburban restaurant locations include, but are not limited to, restaurants developed in areas adjacent to major metropolitan areas and older, denser non-urban areas of major metropolitan areas. Suburban restaurant locations can include downtown areas in regional centers that are smaller than the downtowns of major metropolitan areas as well as block groups within regional centers, around city centers, and major regional centers on the fringe of a city. Suburban restaurant locations can also include block groups in minor regional centers or destination-areas not adjacent to major metropolitan areas or major regional centers. Rural restaurant locations include, but are not limited to, locations in cities with lower population and employment densities, such as small towns or areas with one major shopping center or mall, which are relatively similar in density across the entire town or are locations located within counties which are adjacent to one or no core based statistical areas.

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New Builds

Table 3 reflects average weekly gross sales since inception for new Traditional Franchise Restaurants opened in fiscal year 2023 and 2024¹.

TABLE 3: NEW BUILDS WEEKLY GROSS SALES - TOTAL NEW RESTAURANTS COMPLETED IN FISCAL 2023-24	
	Franchise Restaurants
Number of Restaurants	122²
Number of Markets that Opened New Restaurants	73
Average Weekly Gross Sales <i>Median</i> <i>(Min to Max)</i>	\$39,853 \$39,456 (\$13,518 - \$92,567)
Average Weeks Open <i>Median</i> <i>(Min to Max)</i>	63 63 (26 - 102)
Number of Restaurants at or Above Average <i>(% of Restaurants)</i>	60 48.8%

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¹ These tables do not include any Scrape & Rebuild or other reimaged restaurants.

² Includes 122 New Franchised Restaurants with at least 26 full weeks of sales post-opening as of fiscal year end 2024. 54 Restaurants with less than 26 weeks of sales were excluded and 1 reimaged site was excluded.

Historic Sales, Costs of Sales, Selected Expenses, and Profits for Traditional Company Restaurants

The table below provides the following categories of historical financial information for the fiscal year 2024 for the 362 Traditional Company Restaurants that were open and in continuous operation for at least 52 weeks as of December 29, 2024 (“Traditional Company Owned”) (See Note 1, below): (a) Gross Sales; (b) Cost of Sales; (c) Gross Profit; (d) Other Operating Expenses; and (e) EBITDA before Rent. Note, all calculations are on an individual restaurant basis and so the minimum, median, and maximum values are not comparable between the two columns “Average Amount” and “% of Average Revenues.”

TABLE 4 TRADITIONAL COMPANY OWNED RESTAURANTS - P&L BREAKOUT			
	Average Amount Median (Min to Max)	% of Average Revenues Median (Min to Max)	Number of Restaurants at or Above Average (% Above Average)
Gross Sales (Note 2)	\$2,339,436 \$2,239,518 (\$1,236,844 to \$4,823,030)	100% 100% 100%	146 40.3%
Cost of Sales (Note 3)	\$760,449 \$730,122 (\$404,313 to \$1,469,747)	32.5% 31.1% (27.8% to 34.3%)	152 42.0%
Gross Profit (Note 4)	\$1,578,987 \$1,509,184 (\$832,531 to \$3,419,528)	67.5% 64.0% (59.1% to 69.2%)	153 42.3%
Other Operating Expenses (Note 5)	\$1,152,992 \$1,130,651 (\$811,536 to \$2,074,919)	49.3% 47.8% (34.6% to 67.4%)	159 43.9%
Restaurant EBITDA before Rent (Note 6)	\$425,995 \$377,286 (-\$62,302 to \$1,653,993)	18.2% 16.3% (-4.1% to 32.9%)	156 43.1%
Additional Operating Expenses for Franchised Restaurants			
Royalty (4% of Gross Sales)	\$93,577	N/A	N/A

NOTES TO TABLE 4

1. In Item 1, the number of Wendy’s Company Restaurants is different from the number of Wendy’s Company Restaurants stated in this Table 4. In counting the Wendy’s Company Restaurants for Item 19, Quality only includes Company Restaurants which had at least 52 weeks of consecutive sales within the past 12 months. In Table 4, 35 Company Restaurants are excluded as they had less than 52 consecutive weeks of sales. Of these Company Restaurants, during Fiscal Year 2024, there were 21 Company Restaurants owned by one or more affiliates of Quality that closed permanently. No Company Restaurants closed after being open less than twelve months. Further, the Company Restaurant count in Item 1 reflects ownership as of fiscal year end 2024 and includes both traditional and non-traditional locations. Table 4 does not include financial information from non-traditional Company Restaurants (as described in Item 12), and as a result, 8 Company Restaurants operating at non-traditional locations are not represented (none had less than 52 consecutive weeks of sales).

2. As used in this Table 4, “Gross Sales” is defined as all income less: taxes, refunds, and amounts from coupon or discount programs. Sales levels vary considerably due to a variety of factors, such as: local popularity, hours of operation, size, competition from other restaurants, especially fast food businesses in proximity, weather conditions, traffic flow, accessibility and visibility of the restaurant, the economic conditions in the locality, and the business abilities of management.
3. As used in Table 4, “Cost of Sales” includes restaurant level food and paper expenses, but does not include costs/benefits related to beverage rebates, which are not allocated to specific Company Restaurants. Restaurant margin is influenced by factors such as price increases, the effectiveness of our advertising and marketing initiatives, featured products, product mix, fluctuations in food costs.
4. As used in Table 4, “Gross Profits” means “Gross Sales” minus “Costs of Sales.”
5. As used in Table 4, “Other Operating Expenses” includes the following costs: labor, payroll taxes, advertising fees, promotion, outside services, operating supplies, maintenance and repair, utilities, office supplies, legal and accounting fees, insurance, real estate and personal property taxes, business operating licenses, non-product income or expense, and worker’s compensation. Restaurant margin is influenced by factors such as fluctuations in labor costs, restaurant openings, remodels, and closures. “Other Operating Expenses” as used in this table does not include any un-allocated costs/benefits related to Company Restaurant employee bonus, management training salaries and other restaurant support costs. “Other Operating Expenses” also does not include any amounts related to rent depreciation and amortization, interest, and income taxes.

Franchise Restaurants are also required to pay Royalty Fees that Company Restaurants do not have to pay. Royalty amounts generally comprise 4% of Gross Sales for Traditional Restaurants, but may be impacted by various incentive offerings (see Item 6). Additionally, Company Restaurants may benefit from economies of scale that are not available to Franchise Restaurants that are owned singly or in small groups by a franchisee.

6. As used in Table 4, “EBITDA before Rent” means earnings before interest, taxes, depreciation, amortization and rent. The “EBITDA before Rent” should not be construed as the financial results or “profit” before occupancy costs which might be experienced by a franchisee with similar Gross Sales. An individual franchisee is likely to experience operating expense variations including general insurance, legal and accounting fees, labor costs, store management benefits (life and health insurance, etc.). The occupancy costs paid by Franchisees may vary not only by location, but also according to the terms a franchisee is able to negotiate for an individual lease. Additionally, market conditions, operational and management methods employed by a franchisee, different geographic areas of the country, and menu price variations may significantly affect operating results. Moreover, organization overhead costs such as salaries and benefits of non-restaurant personnel (if any), cost of an automobile used in the business (if any), and other discretionary expenditures may significantly affect profits. The nature of these variables makes it difficult to estimate the financial results for any particular franchisee or location.
7. During the twelve-month period from January 1, 2024 - December 29, 2024 (Fiscal Year 2024), the Company operated 3 Frosty Carts. All locations were subject to limited weather-related closures within the year.

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Return on Investment of Franchisee Development Investment

The table below utilizes historic financial information (the 28 most recent Company-led projects for Franchisee-operated restaurants reviewed by CAPCOM, including projects from January 2024 through December 2024) to provide Return on Investment detail for Franchise Build-to-Suit and Traditional Restaurants.

Table 5: Return on Investment of Franchisee Development Investment		
	Build-to-Suit (BTS)	Traditional (with FDP/REPP and Top Builder Incentive)
Capital Investment (Average / Median) (Min to Max)	\$518,864 / \$541,960 (\$380,165 - \$650,000)	\$2,052,891 / \$2,040,946 (\$1,511,275 - \$2,800,000)
Annual Sales (Average / Median) (Min to Max)	\$2,072,339 / \$2,051,691 (\$702,929 - \$4,813,500)	\$2,072,339 / \$2,051,691 (\$702,929 - \$4,813,500)
Top Builder Incentive Value (Average / Median) (Min to Max)	N/A	\$445,553 / \$441,113 (\$151,130 - \$1,034,902)
Sales-to-Net Investment Ratio (Average / Median)	4.0 : 1 / 3.8 : 1	1.3 : 1 / 1.3 : 1
Approximate Upfront Cash Out (Average / Median) See Note (e) below	\$232,000 / \$251,000	\$539,000 / \$550,000

NOTES TO TABLE 5

1. The difference between the average and median Sales-to-Net Investment Ratio is a result of differences in actual construction costs and weekly sales.
2. In addition to standard assumptions, Table 5 relies on the following data to calculate Return on Investment:
 - a. Approved budgets for the 28 most recent Company-led projects, adjusted for projected budget variances, for Franchisee-operated restaurants reviewed by CAPCOM, including projects from January 2024 through December 2024, were used as the basis for Total Estimated Initial Capital Investment before land, pre-opening expenses, and additional operating funds cited in Item 7, which are used as the basis for Table 5 in Item 19. Capital Investment excludes Real Property costs and includes Furniture, Fixtures, Equipment, Signage, Technology, and Security and Building costs as described in Item 7. However, for Build-to-Suit projects, Building costs are

not included. 15 projects had capital investments at or above the Build-to-Suit average provided, and 13 projects had capital investments at or above the Traditional average provided.

- b. Annual Sales are consistent with Franchise Sales cited in Table 3 of Item 19.
- c. Top Builder Incentive Value is calculated as 21.5% of Annual Sales, as outlined in Table 5. The Top Builder provides a 9.0% royalty abatement, distributed as follows: 3.0% in year 1 and 2.0% annually from years 2 through 4. Additionally, the Top Builder Incentive offers a 12.5% advertising abatement, allocated as 3.5% in year 1 and 3.0% per year from years 2 through 4. The Top Builder Incentive is only available to franchisees who have executed an applicable development agreement.
- d. Sales-to-Net Investment Ratio assumes Annual Sales consistent with Table 3, divided by Capital Investment (net of total 4-year Top Builder Incentive Value).
- e. Approximate Upfront Cash Out is inclusive of Capital Investment, FDP Fee/REPP Fee (as applicable), and Technical Assistance Fee financed with 80% Loan-to-Value (LTV). No financing is assumed for Pre-opening Expenses and Additional Operating Funds.

Other than the preceding financial performance representation, Quality Is Our Recipe, LLC 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 Kris Kaffenbarger, One Dave Thomas Blvd., Dublin, OH 43017, Phone: (614) 764-8443, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

The following pages are intended to provide you with some additional statistical information related to Wendy's franchised and company-owned outlets. Company-owned outlets include outlets owned by Quality and its affiliates. The list includes all franchise and company-owned outlets within the United States arranged alphabetically by state.

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 Outlets	2022	5,535	5,591	+56
	2023	5,591	5,627	+36
	2024	5,627	5,552	-75
Company-Owned Outlets	2022	403	403	0
	2023	403	403	0
	2024	403	381	-22
Total Outlets	2022	5,938	5,994	+56
	2023	5,994	6,030	+36
	2024	6,030	5,933	-97

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
Alabama	2022	24
	2023	1
	2024	19
Arizona	2022	2
	2023	0
	2024	1
California	2022	8
	2023	6
	2024	1
Colorado	2022	3
	2023	1
	2024	12
Florida	2022	46
	2023	3
	2024	28
Georgia	2022	7
	2023	2
	2024	15