

ITEM 19 **FINANCIAL PERFORMANCE REPRESENTATIONS**

The FTC's Franchise Rule permits a franchisor to disclose 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 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 performance at a particular location or under particular circumstances.

As of December 31, 2024, there were 75 Cheba Hut Businesses, two affiliate-owned Cheba Hut Businesses (“Affiliate Locations”) and 73 franchised Cheba Hut Businesses (“Franchised Locations”). Franchised Locations will share many of the same characteristics as our Affiliate Locations, including degree of competition, and products and services offered. Affiliate Locations also pay Royalty, Brand Fund Contributions and Technology Fees, but they are not required to meet the Local Advertising Requirement. This Item 19 provides historical financial information for the 2024 calendar year.

Table One

Table One provides financial information of all Franchised Locations and Affiliate Locations. Table 1A provides information for all 75 Cheba Hut Businesses . Table 1B provides information for the Cheba Hut Businesses that were open at least 12 months as of December 31, 2024. Table 1C provides information for the two Affiliate Locations. Table 1C provides information for all 75 of the Franchised Locations. Table 1D provides information for the 59 Franchised Locations that were open at least 12 months as of December 31, 2024. Table 1E provides information on the two Affiliate Locations (both were open for at least 12 months as of December 31, 2024).

Table 1A

All Locations (Franchised and Affiliate) – (75 Restaurants)				
Average Net Sales	Number/% Attained or Exceeded	Median Net Sales	Highest Net Sales	Lowest Net Sales
\$1,973,348.24	39 (52.00%)	\$1,980,560.93	\$3,589,509.86	\$54,761.49

Table 1B

All Locations -12+ Months (Franchised and Affiliate) – (59 Restaurants)				
Average Net Sales	Number/% Attained or Exceeded	Median Net Sales	Highest Net Sales	Lowest Net Sales
\$2,273,261.77	30 (50.85%)	\$2,289,868.55	\$3,589,509.86	\$739,799.49



Table 1C

All Franchised Locations –(73 Restaurants)				
Average Net Sales	Number/% Attained or Exceeded	Median Net Sales	Highest Net Sales	Lowest Net Sales
\$1,966,384.03	37 (50.68%)	\$1,960,217.57	\$3,589,509.86	\$54,761.49

Table 1D

Franchised Locations -12+ Months (57 Restaurants)				
Average Net Sales	Number/% Attained or Exceeded	Median Net Sales	Highest Net Sales	Lowest Net Sales
\$2,274,718.24	29 (50.88%)	\$2,289,868.55	\$3,589,509.86	\$739,799.49

Table 1E

All Affiliate Locations – (2 Restaurants)				
Average Net Sales	Number/% Attained or Exceeded	Median Net Sales	Highest Net Sales	Lowest Net Sales
\$2,231,024.17	1 (50.00%)	\$231,024.17	\$2,394,832.56	\$2,067,215.78

Table Two shows the financial data of the top 25% and bottom 25% of the Cheba Hut Businesses open for at least 12 months as of December 31, 2024.

Table 2D

Top 25% of Restaurants (15 Restaurants)				
Net Sales	Number/% Attained or Exceeded	Median Net Sales	Highest Net Sales	Lowest Net Sales
\$3,349,031.08	7 (46.67%)	\$3,318,782.53	\$3,589,509.86	\$3,053,193.80

Table 2E

Bottom 25% of Restaurants (15 Restaurants)				
Net Sales	Number/% Attained or Exceeded	Median Net Sales	Highest Net Sales	Lowest Net Sales
\$1,207,176.44	8 (53.33%)	\$1,166,806.07	\$1,586,719.76	\$739,799.49



Notes:

1. As used in this Item 19, “Net Sales” means gross sales less complimentary meals, discounts, and sales tax.
2. The numbers in this Item 19 were gathered from the POS system and internal accounting records and are compiled on a cash basis.
3. The financial performance representations in this Item 19 do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the Net Sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

Written substantiation of the data used in preparing the financial performance representations described above will be made available to you on reasonable request.

Some Cheba Hut Businesses have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.

Other than the preceding financial performance representation, Cheba Hut Franchising, 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 by contacting Scott Jennings, 400-A N. College Avenue, Fort Collins, Colorado 80524, (970) 286-2953, the Federal Trade Commission and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-wide 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	44	50	+6
	2023	50	58	+8
	2024	58	75	+17
*Company-Owned	2022	1	1	0
	2023	1	2	+1
	2024	2	2	+0
Total Outlets	2022	45	51	+6
	2023	51	60	+9
	2024	60	77	+17

*These outlets were/are operated by affiliates

