

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.

We provide below in three tables historical data relating to the sales for franchised and company-owned Einstein Bros. restaurants as well as certain types of expenses for company-owned and operated Einstein Bros. restaurants. The company-owned restaurants are operated by our affiliate, ENC. Please read the following information in conjunction with your review of the historical data.

The information presented in this Item 19 is a compilation of financial information that has not been audited.

The Sales Distributions and Cost Factors should be read together with all of the related information about the factual bases and material assumptions underlying them. You should construct your own pro forma cash flow statement and make your own financial projections regarding potential sales, operating cost factors, capital investment requirements and liquid cash requirements for your proposed restaurant.

You are strongly advised to perform an independent investigation of this opportunity to determine whether or not the franchise may be profitable, and to consult your attorney and other professional advisors before entering into a Franchise Agreement or Area Development Agreement.

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Discussion of Historical Sales Distribution and Cost Factor Information for Einstein Bros. Bagels Restaurants

Basis and Assumptions. The sales and expense information that follows has been compiled using unaudited financial data from company-owned Einstein Bros. Bagels Restaurants (which represents 100% of those restaurants that were open for the entire year during our last fiscal year, which started on December 27, 2023 and ended on December 31, 2024) (“**Sales Distribution**”), and selected cost factors for the same period (“**Cost Factors**”). Einstein Bros. Bagels Restaurants open for less than the full year were not included. There were franchised and company-owned Einstein Bros. Bagels Restaurants that were not included because they were not open for the entire fiscal year. The information in the charts below contains certain operating results for ENRG’s last two fiscal years.

The data provided in this Item 19 are based on results during our last fiscal year (ended December 31, 2024).

Some Einstein Bros. Bagels Restaurants have earned these amounts. Your individual results may differ. There is no assurance you will earn as much.

Sales Distribution. Table 1 below organizes the information based on the sales volume of the franchised and company-owned Einstein Bros. Bagels Restaurants for the 53-week period that started on December 27, 2023 and ended on December 31, 2024.

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Table 1**Sales Distribution Information**

Annual Gross Sales Levels during the 53-week period
from December 27, 2023 to December 31, 2024
(Please read Table 1 together with the notes that follow)

	Company-Owned Restaurants (Note A)			Franchised Restaurants (Note B)		
	Company-Owned Restaurants at this Gross Sales Level%	Cumulative Percentage of Company-Owned Restaurants at this Gross Sales Level	Number of Company-Owned Restaurants at this Gross Sales Level	Franchised Restaurants at this Gross Sales Level %	Cumulative Percentage of Franchised Restaurants at this Gross Sales Level	Number of Franchised Restaurants at this Gross Sales Level
\$1,100,000 and Above	80.5%	80.5%	190	49.1%	49.1%	27
\$1,000,000 - \$1,100,000	12.7%	93.2%	30	10.9%	60.0%	6
\$900,000 - \$1,000,000	14.4%	107.6%	34	9.1%	69.1%	5
\$800,000 - \$900,000	10.2%	117.8%	24	16.4%	85.5%	9
\$700,000 - \$800,000	8.5%	126.3%	20	5.5%	90.9%	3
\$600,000 - \$700,000	5.9%	132.2%	14	1.8%	92.7%	1
Below \$600,000	2.1%	134.3%	5	7.3%	100.0%	4
Total number of units			317			55

<u>Company-Owned Restaurants (Note C)</u>	<u>Franchised Restaurants (Note C)</u>
"Median Gross Sales: \$1,205,089	Median Gross Sales: \$1,086,065
Average Gross Sales: \$1,254,896	Average Gross Sales: \$1,114,358

Notes to Table 1:

A. The number of Company-Owned Restaurants that achieved or surpassed the Average Gross Sales figure in Table 1 was 140 out of 317 (44%). The Company-Owned Restaurant with the highest Gross Sales was \$3,173,120 and the lowest Gross Sales was \$496,687.

- B. The number of Franchised Restaurants that achieved or surpassed the Average Gross Sales figure in Table 1 was 27 out of 55 (49%). The Franchised Restaurant with the highest Gross Sales was \$2,043,349, and the lowest Gross Sales was \$451,035.
- C. The results in Table 1 were for 317 Company-Owned Restaurants and 55 Franchised Restaurants, that represented the Restaurants that were open for all of the 2024 fiscal year. Excluded from this chart were 35 Company-Owned Restaurants and 8 Franchised Restaurants open for only part of the 2024 fiscal year, including temporary closures.
- D. “Gross Sales” means all revenue that you derive from operating the Restaurant, whether from cash, check, credit and debit card, or otherwise, but excluding all taxes actually collected from customers and paid to the appropriate taxing authority, revenue derived from selling or issuing gift or loyalty cards (but not revenue received from selling products to customers who use such cards for payment), and refunds and credits you in good faith give to Restaurant customers (if those amounts originally were included in calculating Gross Sales).
- E. We have further broken down the gross sales volumes for Franchised Restaurants – both with and without a drive-thru:

	Franchised Restaurants with a Drive-Thru	Franchised Restaurants without a Drive-Thru
Average Gross sales volume	\$1,282,002	\$984,569
Median Gross Sales	\$1,265,016	\$924,390
Number of units – total	24	31
Number of units – at or above the average	12	14
Highest Gross Sales unit	\$2,043,349	\$1,717,789
Lowest Gross Sales unit	\$617,635	\$451,035
Percentage of units – at or above the average	50%	45%

Table 2
2024 Cost Factors:

Table 2 below organizes the information based on the cost factors incurred at the 317 company-owned Einstein Bros. Bagels Restaurants operated during the entire fiscal year that ended December 31, 2024.

Table 2: 2024 Cost Factors (Note A) (Please read Table 2 together with the notes that follow)								
Reference And Item Description	Restaurants With Gross Sales over \$950,000		Restaurants With Gross Sales Between \$750,000 - \$950,000		Restaurants With Gross Sales below \$750,000		Concept Average Restaurant	
	Avg Amount (\$)	% of Avg Net	Avg Amount (\$)	% of Avg Net	Avg Amount (\$)	% of Avg Net	Avg Amount (\$)	% of Avg Net
B Gross Revenue	1,413,103	104.5%	857,694	104.3%	651,151	104.2%	1,263,014	104.5%
C Discounts	60,590	4.5%	35,037	4.3%	26,338	4.2%	53,946	4.5%
D Gross Sales	1,352,513	100.0%	822,656	100.0%	624,813	100.0%	1,209,068	100.0%
E Total Cost of Products Sold	327,865	24.2%	209,402	25.5%	163,191	26.1%	295,263	24.4%
Gross Margin	1,024,648	75.8%	613,254	74.5%	461,622	73.9%	913,806	75.6%
F Total Labor Expenses	349,929	25.9%	244,256	29.7%	212,764	34.1%	322,213	26.6%
G Other Operating Expenses	101,675	7.5%	80,777	9.8%	75,758	12.1%	96,810	8.0%
Profit After Operating Expenses	573,044	42.4%	288,221	35.0%	173,100	27.7%	494,783	40.9%

Table 2: 2024 Cost Factors (Note A)
(Please read Table 2 together with the notes that follow)

Reference And Item Description	Restaurants With Gross Sales over \$950,000	Restaurants With Gross Sales Between \$750,000 - \$950,000	Restaurants With Gross Sales below \$750,000	Concept Average Restaurant				
	Avg Amount (\$)	% of Avg Net	Avg Amount (\$)	% of Avg Net	Avg Amount (\$)	% of Avg Net	Avg Amount (\$)	% of Avg Net
H Non-Operating Expenses	43,006	3.2%	4,284	0.5%	-19,876	-3.2%	31,072	2.6%
I Non Cash Flow	530,037	39.2%	283,937	34.5%	192,976	30.9%	463,711	38.4%
Imputed Royalties (5% Gross Sales)	70,655	5.2%	42,885	5.2%	32,558	5.2%	63,151	5.2%
J Non Adjusted Cash Flow (after imputed royalties)	459,382	34.0%	241,053	29.3%	160,419	25.7%	400,560	33.1%

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Notes to Table 2:

A. The information provided in Table 2 Cost Factors chart is for a total of 317 company-owned Einstein Bros. Bagels Restaurants that were open for the entire 2024 fiscal year, that were operated by our affiliate, ENC.

These cost factors are based on ENC's experience operating company-owned Restaurants, and should not be considered as the actual or potential costs that you will incur. We do not provide cost information for franchised or licensed Restaurants because we do not receive enough information from our franchisees and licensees to reliably do so. Please also note that in addition, because these are the results of company-owned restaurants, these figures do not include costs that a franchisee will incur, such as royalties and the amortized portion of the initial franchise fee (if it was financed).

The figures shown in the columns under the heading "Avg Amount (\$)" are the arithmetic mean (average) of the results of the cost factors (and other items listed in the first column).

B. Gross revenue includes all sales of food, beverages, and promotional items, and the dollar amount of coupons, employee discounts, and other promotional discounts, but excludes all sales and service taxes.

C. Discounts consist of the dollar amount of coupons, employee discounts, and other promotional discounts.

D. Gross Sales includes all sales of food, beverages, and promotional items, but excludes all sales and service taxes, and the dollar amount of coupons, employee discounts, and other promotional discounts. Please see the following additional information regarding the Gross Sales identified in Table 2:

	Restaurants with Gross Sales over \$950,000	Restaurants with Gross Sales between \$750,000-\$950,000	Restaurants with Gross Sales below \$750,000	Concept Average Restaurant
Median Gross Sales	\$1,345,915	\$868,551	\$661,849	\$1,205,089
Highest Gross Sales	\$3,173,120	\$949,572	\$737,619	\$1,345,915
Lowest Gross Sales	\$957,314	\$751,298	\$496,687	\$496,687

E. Total cost of products sold includes the cost of food, paper, and other products.

- F. Labor includes hourly and salaried employee compensation, bonuses, taxes, and benefits.
- G. Other operating expenses include utilities, ordinary operating maintenance and repairs, unplanned maintenance and repairs, supplies, and other miscellaneous operating expenses.
- H. Non-operating expenses include rent and other occupancy expenses, marketing, insurance, and other miscellaneous expenses, but exclude depreciation.
- I. Store Cash Flow = Profit After Operating Expenses less Non-Operating Expenses (which excludes depreciation), which is not a measure in accordance with generally accepted accounting principles.
- J. The Adjustments for Franchisee Expenses are for a cost (royalties) that we did not incur for our own company-owned units, but that a franchisee would incur. Because we operate many company-owned units, we may have some labor-related efficiencies in the operation of our company-owned units that are not available to franchisees, but otherwise we do not anticipate financial and operational characteristics of company-owned Restaurants that differ materially from franchised Restaurants.

Other costs, as described below, have been excluded from this discussion, as we consider that differences in accounting and business practices would make comparative analysis inconclusive or misleading. You will incur other substantial costs in the operation of your Restaurant that are not included in this discussion, including, among others, local marketing expenses, mortgage or other debt/financing costs, computer upgrades, renovations, improvements, and major repair/maintenance expenses, legal and professional fees, income and other non-real estate taxes, and various other expenses (together, these are referred to as "**Additional Costs**"). You will incur Additional Costs and should determine and account, for yourself, the Additional Costs that you will have to have to pay.

Substantiation

Written substantiation of the data used in preparing the information in this Item is on file at our offices and will be made available to you upon reasonable request.

Other than the preceding financial performance representation, Einstein Bros. Bagels Franchise Corporation 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 our management by contacting Matthew Copenhaver at 1720 S. Bellaire Street, Suite Skybox, Denver, Colorado 80222 (303-568-8000), the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Part I: The Einstein Bros. Bagels Franchise System

Table 1:
**Systemwide Einstein Bros. Bagels Franchised Restaurant 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	54	56	2
	2023	56	56	0
	2024	56	63	7
Company Owned	2022	322	323	1
	2023	323	329	6
	2024	329	352	23
Total Outlets	2022	376	379	3
	2023	379	385	6
	2024	385	415	30

Table 2:
**Transfers of Einstein Bros. Bagels Franchised Restaurants from Franchisees to New Owners (other than
 Franchisor)**
For Years 2022 to 2024

State	Year	Number of Transfers
California	2022	0
	2023	0
	2024	1
Total	2022	0
	2023	0
	2024	1