

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 of a particular location or under particular circumstances.

Written substantiation for the financial performance representations made in this Item 19 will be made available to you upon reasonable request.

Gross Revenue, Operating Expenses and Net Profit At 14 Franchised Spitz Restaurants
During the Period January 1, 2024 Through December 31, 2024
(As Of December 31, 2024, There Were A Total Of 20 Franchised Spitz Restaurants)
(SEE NOTES 1 –9)

TABLE 1

	Average (Note 7)	Percent of Gross Revenues
Gross Revenues (Note 2)	\$1,841,280.83	100.00%
Operating Expenses (Note 3)	\$1,636,485.18	88.8%
Food Cost	\$ 473,398.87	25.71%
Supplies and Materials	\$ 30,301.81	1.65%
Labor Cost	\$ 466,371.27	25.33%
Gross Rent	\$ 108,128.38	5.87%
Other Costs	\$ 457,014.40	24.82%
Royalties	\$ 101,270.45	5.5%
Net Profit (Note 4)	\$ 204,795.65	11.12%

Of the fourteen Spitz Restaurant franchises reporting complete 2024 financial performance information, seven or 50% reported Gross Revenues at or above the average shown in Table 1. The Median Gross Revenues of the 14 Franchise Restaurants for 2024 was \$1,744,848.11. The range of Gross Revenue was from \$1,260,760.20 to \$2,657,396.11. Six Franchised Restaurants are omitted from the data set because they were not open and operating for all of 2024.

Gross Revenue, Operating Expenses, Net Profit and Imputed Royalties At 5 Affiliate-Owned Spitz Restaurants

During the Period January 1, 2024 Through December 31, 2024

**(As Of December 31, 2022, There Were A Total Of 5 Affiliate-Owned Spitz Restaurants)
(See Notes 1 –9)**

TABLE 2

	Average	Percentage of Gross Revenue
Gross Revenue (Note 2)	\$1,971,296.23	100.00%
Operating Expenses (Note3)	\$1,844,471.21	93.57%
Food Cost	\$ 402,705.73	20.43%
Supplies and Materials	\$ 34,274.77	1.74%
Labor Cost	\$ 544,008.36	27.60%
Gross Rent	\$ 107,200.02	5.44%
Other Costs	\$ 647,861.04	32.86%
Imputed Royalties (Note 5)	\$ 108,421.29	5.50%
Net Profit (Notes 4, 6)	\$ 126,825.02	6.43%

Of the five Spitz Restaurant owned by Affiliates reporting 2024 financial performance information, 2 or 40% reported Gross Revenues at or above the average shown in Table 2. The Median Gross Revenues of the Affiliate-Owned Spitz Restaurants for 2024 was \$1,883,337.09. The range of Gross Revenue in 2024 was from \$1,545,567.66 to \$2,724,896.83 for these five Spitz Restaurants.

NOTE 1:

Table 1 includes actual historical unaudited information we have received from franchisees for 14 Spitz Restaurants that were owned and operated by our franchisees in 2024. All of these franchised Spitz Restaurants are operations similar to the franchise offered in this Disclosure Document. New outlets with different sized seating, bar and kitchen areas may differ materially in performance from these outlets. We compiled Table 1 from reports submitted to us by certain Spitz franchisees on their Gross Revenue (as defined in Note 3), Operating Expenses (as defined in Note 4) and Net Profit (as defined in Note 5).

On December 31, 2024, there were a total of 20 franchised Spitz Restaurants owned and operated by our franchisees only 14 of which were in operation for a full calendar year on December 31, 2024 and reported financial information for the entire year. The 14 franchised Spitz Restaurants included in Table 1 were selected because the information was available to us and believed to be complete, accurate and reliable. All information is unaudited.

Table 2 includes actual historical unaudited information we have accumulated for 5 Spitz Restaurants that were owned and operated by our affiliate in 2024. All of these affiliate-owned Spitz Restaurants are

operations similar to the franchise offered in this Disclosure Document. Table 2 information was taken from reports submitted to us by our affiliate on Gross Revenue (as defined in Note 3), Operating Expenses (as defined in Note 4), Net Profit (as defined in Note 5) and Imputed Royalties (as defined in Note 6) for the affiliate-owned Spitz Restaurants.

On December 31, 2024, there were a total of 5 affiliate-owned Spitz Restaurants. All 5 affiliate-owned Spitz Restaurants are included in Table 2.

NOTE 2:

For purposes of Tables 1 and 2, “**Gross Revenues**” means the aggregate of the total of all revenues derived from sales of any nature or kind whatsoever from each Spitz Restaurant included in these Tables, whether received in cash, services, property, barter, or other means of exchange, including orders taken in or from the Spitz Restaurants although filled elsewhere. Gross Revenue includes the full value of meals provided to employees as incident to their employment (less the value of any discounts against Gross Revenue given during the month in which the meals were provided) and all proceeds from the sale of coupons, gift certificates or vouchers. Gross Revenue excludes the amount of bona fide refunds paid to customers and the amount of sales or use taxes actually paid to any governmental authority and the retail price of any coupons, gift certificates and vouchers when they are redeemed.

NOTE 3:

For purposes of Tables 1 and 2, “**Operating Expenses**” means our franchisees’ (Table 1) and our affiliate’s (Table 2) expenses for food, supplies and material, labor, rent and other costs (such as non- alcoholic beverages, liquor, beer, wine, cleaning supplies, laundry, office supplies, kitchen supplies, restaurant supplies, repairs and maintenance, advertising, pest control, bank charges, dues and subscriptions, postage and delivery, legal and accounting, licenses and permits, utilities, trash and third party delivery fees).

NOTE 4:

For purposes of Tables 1 through 4, “**Net Profit**” means Gross Revenue less Operating Expenses.

NOTE 5:

Based upon the Gross Revenue of the affiliate-owned Spitz Restaurants, we have included in Table 2 Imputed Royalty fees that a franchisee would incur at 5.5% of Gross Revenue, which the affiliate-owned Spitz Restaurants did not incur. If the Restaurants were franchised, then Imputed Royalties would be deducted as an expense to produce Net Profit.

NOTE 6:

For purposes of Tables 1 and 2, “**Average**” means the aggregate in each category divided by the total number of Spitz Restaurants included in Table 1 (8) and Table 2 (5).

NOTE 7:

For purposes of Tables 1 and 2, “**Median**” means the midpoint dollar and percentage value in each category across all 8 franchised Spitz Restaurants and all 5 affiliate-owned Spitz Restaurants included in Tables 1 and 2, respectively. The Median for a category with an odd number of data points will be the center number in that set.

Other than the preceding financial performance representation, Radwick Franchising, 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 by contacting our President, Bryce Rademan, 12300 S. 62 E., Draper, Utah 84020, (323) 839-0389, brycerademan@spitzrestaurant.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1 SYSTEM-WIDE RESTAURANT SUMMARY

FOR FISCAL 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	7	10	+3
	2023	10	15	+5
	2024	15	20	+5
Company Owned	2022	5	5	0
	2023	5	5	0
	2024	5	5	0
Total Outlets	2022	12	15	+3
	2023	15	20	+5
	2024	20	25	+5

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
FOR FISCAL YEARS 2022 TO 2024

State	Year	Number of Transfers
Total Outlets	2022	0
	2023	0
	2024	0

TABLE NO. 3
STATUS OF FRANCHISED OUTLETS
FOR FISCAL YEARS 2022 TO 2024

State	Year	Outlets at Start of Year	Outlets Opened	Terminations	Non-Renewals	Ceased Operations – Other Reasons	Outlets at End of the Year
Arizona	2022	0	0	0	0	0	0
	2023	0	2	0	0	0	2
	2024	2	2	1	0	0	3
California	2022	0	0	0	0	0	0
	2023	0	0	0	0	0	1
	2024	0	1	0	0	0	1
Colorado	2022	0	1	0	0	0	1
	2023	1	1	0	0	0	2
	2024	2	0	0	0	0	2
Minnesota	2022	0	0	0	0	0	1
	2023	1	1	0	0	0	2
	2024	2	0	0	0	0	2