

## **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 rebate returns are a historic Financial Performance Representation about existing Canteen franchisees and are calculated by reviewing the rebates passed back to the franchisee from Canteen after Canteen deducts its administrative fee described in Item 6, based on the purchases the franchisee makes using Canteen's purchasing programs, and comparing the rebates passed back against the revenue reported by the franchisees. The information below is based on supplier pricing and prices paid by participants in the Canteen purchasing program for the period commencing October 1, 2024, and ending September 30, 2025 (the "Financial Performance Period"). The information is compiled from the performance of 93 Canteen franchises out of total number of 100 franchises that existed during the Financial Performance Period. We have excluded information for the 5 Canteen franchises that became a franchisee during the Financial Performance Period, the 13 Canteen franchisees that left the system during the Financial Performance Period and were therefore not Canteen franchisees during this entire Financial Performance Period, and the 2 Canteen franchisees whose revenue and rebate information were mixed together when one of the franchisees purchased a portion of business from the other franchisee.

Canteen franchises recognized average rebate returns of approximately 8.5% of net revenues and a median rebate return of 8.3% of net revenues. Of the 93 Canteen franchisees included as the basis for this financial performance representation, 49.5%, or 46 franchisees, recognized rebate returns less than 8.3% of net revenues (25% of which recognized rebate returns equal to or less than 6.5% of net revenues), and 50.5%, or 47 franchisees, recognized rebate returns equal to or greater than 8.3% of net revenues (25% of which recognized rebate returns equal to or greater than 10.5% of net revenues) during the Financial Performance Period by being Canteen franchisees. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

In connection with your review and analysis of the above financial performance representation, you should consider the following:

1. No Certified Public Accountant has audited the figures or data presented here or expressed any opinion as to the contents or form, and the information is not presented in accordance with the statement on standards for accountants' services on prospective financial information (or its successor) issued by the American Institute of Certified Public Accountants, Inc.
2. The financial performance representation is based upon information furnished by Canteen suppliers and Canteen franchisees. Canteen has not independently verified the accuracy of this information. Items used in Canteen's analysis include rebates received on purchases for all cold beverages, candy, salty snacks, pastry, gum, mints, fresh food, frozen food, coffee products, paper goods used in vending, condiments, vending equipment and parts (including snack vending machines, coffee vending machines, fresh food machines, bill changers, frozen food machines, office coffee machines, cold beverages machines), and services.
3. The financial performance representation is based upon data for the Financial Performance Period.
4. Rebate returns are only a portion of franchisee's revenues and the Financial Performance Representations in this Item 19 do not reflect all revenues franchisee will receive.

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

Other than the preceding financial performance representation, Canteen 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 the President of the Franchise Division, currently Dale Whetstone, 2400 Yorkmont Road, Charlotte, NC 28217, 704-328-4000, 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 FISCAL YEARS ENDED 9-30-23/9-30-24/9-30-25**

**CANTEEN DIVISION**

| Column 1      | Column 2    | Column 3                                      | Column 4                                    | Column 5   |
|---------------|-------------|---|---|------------|
| OUTLET TYPE   | FISCAL YEAR | OUTLETS AT THE<br>START OF THE<br>FISCAL YEAR | OUTLETS AT THE<br>END OF THE<br>FISCAL YEAR | NET CHANGE |
| FRANCHISED    | 2023        | 116   | 111   | -5         |
|               | 2024        | 111   | 108   | -3         |
|               | 2025        | 108   | 100   | -8         |
|               |             |   |   |            |
| COMPANY-OWNED | 2023        | 146   | 150   | +4         |
|               | 2024        | 150   | 156   | +6         |
|               | 2025        | 156   | 161   | +5         |
|               |             |   |   |            |
| TOTAL OUTLETS | 2023        | 262   | 261   | -1         |
|               | 2024        | 261   | 264   | +3         |
|               | 2025        | 264   | 261   | -3         |

**TABLE NO. 2  
TRANSFERS OF OUTLETS FROM FRANCHISEES  
TO NEW OWNERS (OTHER THAN THE FRANCHISOR)  
FOR FISCAL YEARS ENDED 9-30-23/9-30-24/9-30-25**

**CANTEEN DIVISION**

| Column 1 | Column 2    | Column 3               |
|----------|-------------|------------------------|
| STATE    | FISCAL YEAR | NUMBER OF<br>TRANSFERS |
|          |             |                        |
| KS       | 2023        | 0                      |
|          | 2024        | 0                      |
|          | 2025        | 1                      |
|          |             |                        |
| NM       | 2023        | 0                      |
|          | 2024        | 1                      |
|          | 2025        | 0                      |
|          |             |                        |
| OK       | 2023        | 0                      |
|          | 2024        | 0                      |
|          | 2025        | 2                      |
|          |             |                        |
| WA       | 2023        | 0                      |