

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.

**ANALYSIS OF HISTORICAL GROSS SALES FOR
ALL FRANCHISED AND COMPANY-AFFILIATED BLACK BEAR DINER
RESTAURANTS THAT WERE OPEN AND OPERATING DURING THE ENTIRE
FISCAL YEARS 2025 AND 2024**

This analysis contains historical average and median Gross Sales incurred in operating existing Black Bear Diner franchised and company-affiliated Restaurants that were open and operating during the entire 2025 fiscal year ended December 31, 2025 and during the entire 2024 fiscal year ended December 25, 2024. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

As of the fiscal year ended December 31, 2025 there were 97 franchised Restaurants and 72 company-affiliated Restaurants open and operating in the United States. The 2025 fiscal year table excludes 7 franchise Restaurants that were newly opened during the fiscal year ended December 31, 2025 and therefore not open the full fiscal year, 2 franchise Restaurants located inside casinos, and 2 company-affiliated Restaurant that were newly opened during the fiscal year ended December 31, 2025 and therefore not open the full fiscal year.

As of the fiscal year ended December 25, 2024, there were 92 franchised Restaurants and 70 company-affiliated Restaurants open and operating in the United States. The 2024 fiscal year table excludes 3 franchise Restaurants that were newly opened during the fiscal year ended December 25, 2024 and therefore not open the full fiscal year, 3 franchise Restaurants located inside casinos, and 5 company-affiliated Restaurant that were newly opened during the fiscal year ended December 25, 2024 and therefore not open the full fiscal year.

The following tables presents average and median Gross Sales information for company-affiliated and franchise Restaurants during each of the 2025 fiscal year and the 2024 fiscal year. Gross Sales consists of the total sales price of all food products (including take-out, drive-thru or catering) and all other products and services sold by the Black Bear Diner Restaurants, net of discounts and excluding taxes collected directly from customers and paid to taxing authorities.

The company-affiliated Restaurant information is derived from our internal accounting records and is unaudited. The franchised Restaurant sales information in the table is derived from our franchisee's sales reports and is unaudited and unverified. You should conduct an independent investigation of the costs and expenses you will incur in operating your Restaurant. Current franchisees or former franchisees listed in Exhibits F and G of this Disclosure Document may be one source of information.

Company-Affiliated Restaurants

Fiscal Year	Category	Average Gross Sales per Restaurant during the Fiscal Year	Median Gross Sales per Restaurant During the Fiscal Year	Total Number of Restaurants in Analysis for the Fiscal Year	Number of Restaurants/ Percentage of Restaurants in Category Meeting or Exceeding the Average Amount during the Fiscal Year	Number of Restaurants in Category Meeting or Exceeding the Median Amount During the Fiscal Year
Fiscal Year 2025	Top 3rd	\$3,579,631	\$3,500,845	23	7/30%	12/52%
	Middle 3rd	\$2,677,323	\$2,658,601	24	12/50%	12/50%
	Bottom 3rd	\$2,024,026	\$2,009,135	23	11/48%	12/52%
	All	\$2,759,141	\$2,658,601	70	32/46%	35/50%
Fiscal Year 2024	Top 3rd	\$3,596,276	\$3,494,764	22	10/45%	11/50%
	Middle 3rd	\$2,739,446	\$2,756,484	21	11/52%	11/52%
	Bottom 3rd	\$2,017,677	\$2,053,879	22	11/50%	11/50%
	All	\$2,785,159	\$2,756,484	65	29/45%	33/51%

During fiscal year 2025, the highest Gross Sales amount for the Company-Affiliated Restaurants in the above table was \$4,522,797, and the lowest Gross Sales amount for the Company-Affiliated Restaurants in the above table was \$1,500,478.

During fiscal year 2024, the highest Gross Sales amount for the Company-Affiliated Restaurants in the above table was \$4,626,764, and the lowest Gross Sales amount for the Company-Affiliated Restaurants in the above table was \$1,478,223.

Franchised Restaurants

Fiscal Year	Category	Average Gross Sales per Restaurant during the Fiscal Year	Median Gross Sales per Restaurant During the Fiscal Year	Total Number of Restaurants in Analysis for the Fiscal Year	Number of Restaurants/ Percentage of Restaurants in Category Meeting or Exceeding the Average Amount during the Fiscal Year	Number of Restaurants in Category Meeting or Exceeding the Median Amount During the Fiscal Year
Fiscal Year 2025	Top 3rd	\$3,723,198	\$3,762,250	29	15/52%	15/52%
	Middle 3rd	\$2,702,799	\$2,697,884	30	14/47%	15/50%
	Bottom 3rd	\$2,040,150	\$2,080,070	29	16/55%	15/52%
	All	\$2,820,694	\$2,697,884	88	35/40%	44/50%
Fiscal	Top 3rd	\$3,675,837	\$3,647,622	29	13/45%	15/52%

Year 2024	Middle 3rd	\$2,660,680	\$2,677,438	28	16/57%	14/50%
	Bottom 3rd	\$2,048,218	\$2,089,681	29	17/59%	15/52%
	All	\$2,796,472	\$2,677,438	86	34/40%	43/50%

During fiscal year 2025, the highest Gross Sales amount for the Franchised Restaurants in the above table was \$4,926,019, and the lowest Gross Sales amount for the Franchised Restaurants in the above table was \$1,484,266.

During fiscal year 2024, the highest Gross Sales amount for the Franchised Restaurants in the above table was \$4,413,004, and the lowest Gross Sales amount for the Franchised Restaurants in the above table was \$1,469,335.

We do not have full access to, or full confidence in, cost or EBITDA information that we may receive from time to time from our franchisees so as to have a reasonable basis to include their cost or EBITDA performance information with these Financial Performance Representations.

**ANALYSIS OF HISTORICAL GROSS SALES AND SELECTED COST INFORMATION
FOR COMPANY-AFFILIATED BLACK BEAR DINER RESTAURANTS
DURING FISCAL YEARS 2025 AND 2024**

This analysis contains historical Gross Sales and selected cost information incurred in operating certain existing company-affiliated Black Bear Diner Restaurants. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

The Gross Sales and selected cost analysis were prepared based on the results of 70 affiliate owned and operated Black Bear Diner Restaurants that were open and operating during the full 2025 fiscal year ended December 31, 2025 and 65 affiliate owned and operated Black Bear Diner Restaurants that were open and operating during the full 2024 fiscal year ended December 25, 2024.

All of the company-affiliated Black Bear Diner Restaurants in this analysis offer substantially the same products and services that a franchised Black Bear Diner Restaurant will offer. While company-affiliated Black Bear Diner Restaurants in this analysis pay royalties and advertising contributions to us and make minimum local advertising expenditures similar to those required of a franchised Black Bear Diner Restaurant under the Franchise Agreement, the below analysis does not account for those amounts and instead we include a second chart of estimated amounts that you as a franchisee would incur for royalties (4.5% of Gross Sales), advertising contributions (1% of Gross Sales) and minimum local advertising expenditures (1% of Gross Sales) under your Franchise Agreement.

These company-affiliated Black Bear Diner Restaurants are located in 10 different states with the highest concentration in Texas, Arizona and California. We have our headquarters in California and a significant presence, and our affiliates have been operating Restaurants since 1995.

The information contained in this analysis has not been audited and does not reflect all cost information you will incur in operation of your Restaurants.

[chart begins on the following page]

	Fiscal Year 2025		Fiscal Year 2024	
Number of Company-Affiliated Restaurants	70		65	
Gross Sales (1)	Average \$2,759,141 Median \$2,658,601 Highest \$4,522,797 Lowest		Average \$2,785,159 Median \$2,756,484 Highest \$4,626,764 Lowest	
Cost of Goods Sold (2)	Average \$1,500,498 \$774,600 Median \$739,843 Highest \$1,272,843 Lowest \$449,098	Average 28.1% Median 28.1% Highest 31.6% Lowest 26.3%	Average \$1,478,223 \$772,790 Median \$751,026 Highest \$1,284,091 Lowest \$453,099	Average 27.8% Median 27.9% Highest 30.7% Lowest 25.4%
Labor (3)	Average \$961,125 Median \$945,104 Highest \$1,554,673 Lowest \$537,931	Average 34.8% Median 35.1% Highest 46.1% Lowest 27.4%	Average \$966,715 Median \$955,314 Highest \$1,527,185 Lowest \$526,855	Average 34.7% Median 35.3% Highest 43.7% Lowest 27.0%
4-Wall EBITDA (4) <i>* These amounts do not include royalties and advertising contributions or minimum local advertising expenditures payable by franchisees. See Note 4</i>	Average \$332,130 Median 295,578 Highest \$1,021,852 Lowest -\$128,626	Average 12.0% Median 11.5% Highest 22.7% Lowest -7.1%	Average \$360,964 Median 364,431 Highest \$1,010,810 Lowest -\$171,982	Average 13.0% Median 13.3% Highest 22.5% Lowest -9.3%

[Next chart continues on the following page]

Additional *estimated* expenses a franchised Restaurant location would incur are set forth below in the following chart:

	<i>Fiscal Year 2025</i>		<i>Fiscal Year 2024</i>	
	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>	<i>Amount</i>
Royalties (5)	<i>Average</i> \$124,161	<i>Average</i> 4.5%	<i>Average</i> \$125,332	<i>Average</i> 4.5%
	<i>Median</i> \$119,638	<i>Median</i> 4.5%	<i>Median</i> \$124,042	<i>Median</i> 4.5%
Marketing Fund Contribution	<i>Average</i> \$27,591	<i>Average</i> 1.0%	<i>Average</i> \$27,852	<i>Average</i> 1.0%
	<i>Median</i> \$27,586	<i>Median</i> 1.0%	<i>Median</i> \$27,565	<i>Median</i> 1.0%
Local Advertising	<i>Average</i> \$27,591	<i>Average</i> 1.0%	<i>Average</i> \$27,852	<i>Average</i> 1.0%
	<i>Median</i> \$27,586	<i>Median</i> 1.0%	<i>Median</i> \$27,565	<i>Median</i> 1.0%

- (1) Gross Sales consists of the total sales price of all food products (including take-out, drive-thru or catering) and all other products and services sold by the Black Bear Diner Restaurants, net of discounts and excluding taxes collected directly from customers and paid to taxing authorities.
- (2) Cost of Goods Sold consists of food, beverage, and gift shop costs.
- (3) Labor consists of all Restaurant-level salaries and wages for salaried and hourly managers and employees, inclusion of taxes and insurance. It does not include corporate level general and administrative expenses.
- (4) 4-Wall EBITDA includes the average company-operated diner profit, which includes Gross Sales, net of Cost of Goods Sold, Labor Cost and Operating and Occupancy costs. Operating costs include restaurant cleaning, paper and packaging supplies, repair and maintenance, utilities (excluding pro-rata share of common area utilities), trash removal, software fees, credit card fees, delivery commissions, operating licenses and fees required by state and local agencies and other miscellaneous expenses. Occupancy costs includes land and building rent and other occupancy related costs such as real estate and personal property taxes and insurance along with common area maintenance costs, including the pro-rata share of parking lot, lighting, landscaping and other costs of maintain the common area. As noted above, the 4-Wall EBITDA amount does not account for royalties and advertising contributions or minimum local advertising expenditures. However, these amounts are estimated in the second above chart.
- (5) Royalties consists of 4.5% of Gross Sales as defined above.

Some Black Bear Diner Restaurants have achieved the sales and cost results in this analysis. Your individual results may differ. There is no assurance that you will achieve sales or cost results at the levels reflected in this analysis.

Other than the preceding financial performance representation, BBDI, 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 Chad Corrigan, VP, Franchise Sales & Development, chad.corrigan@blackbeardiner.com; Tel: 530.782.5830, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table #1
Systemwide Outlet Summary
For years 2023 to 2025

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
Franchised	2023	88	91	+3
	2024	91	92	+1
	2025	92	97	+5
Company-Owned	2023	65	65	0
	2024	65	70	+5
	2025	70	72	+2
Total Outlets	2023	153	156	+3
	2024	156	162	+6
	2025	162	169	+7

Table #2
Transfer of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2023 to 2025

STATE	YEAR	NUMBER OF TRANSFERS
California	2023	4
	2024	2
	2025	3
Oregon	2023	1
	2024	0
	2025	0
Total Outlets	2023	5
	2024	2
	2025	3