

**ITEM 18
PUBLIC FIGURES**

We do not use any public figure to promote our Franchise.

**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.

For Tables 1 and 2, the “Reporting Group” consists of the 75 Cheba Hut Businesses that were open and operating continuously from January 1, 2025, through December 31, 2025. The Reporting Group includes 73 franchised Cheba Hut Businesses (“Franchised Locations”) and two affiliate-owned Cheba Hut Businesses (“Affiliate Locations”). Eight Cheba Hut Businesses were excluded from Tables 1 and 2 because they opened during 2025 and therefore were not open for the full 12-month period (seven Franchised Locations and one Affiliate Location).

This Item 19 includes historical Net Sales information for the 2025 calendar year in Tables 1 and 2. This Item 19 also includes selected historical systemwide sales and operating data for calendar years 2018 through 2025 in Table 3. For purposes of this Item 19, “Net Sales” means gross sales less complimentary meals, discounts, refunds, tips, and sales tax.

Franchised Locations share many of the same characteristics as 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.

Table One

Table 1A provides information on Net Sales for the Reporting Group. Table 1B provides information on Net Sales for the franchised businesses in the Reporting Group. Table 1C provides information on Net Sales for the affiliate-owned businesses in the Reporting Group.

Table 1A

Reporting Group (Franchise and Affiliate) – (75 Cheba Hut Businesses) 2025				
Average Annual Net Sales	Number/% Attained or Exceeded Average	Median Annual Net Sales	Highest Annual Net Sales	Lowest Annual Net Sales
\$2,329,150.84	37 (49.33%)	\$2,238,812.39	\$3,929,658.29	\$610,723.54



Table 1B

Reporting Group (Franchise) – (73 Cheba Hut Businesses) 2025				
Average Annual Net Sales	Number/% Attained or Exceeded Average	Median Annual Net Sales	Highest Annual Net Sales	Lowest Annual Net Sales
\$2,337,070.02	36 (49.32%)	\$2,329,201.81	\$3,929,658.29	\$610,723.54

Table 1C

Reporting Group (Affiliate) – (2 Cheba Hut Businesses) 2025				
Average Annual Net Sales	Number/% Attained or Exceeded Average	Median Annual Net Sales	Highest Annual Net Sales	Lowest Annual Net Sales
\$2,040,100.60	1 (50%)	\$2,040,100.60	\$2,105,343.05	\$1,974,858.14

Table Two

Table Two presents Net Sales data for the highest-performing and lowest-performing 25% of the Reporting Group based on annual Net Sales for the 2025 calendar year. We ranked all 75 Cheba Hut Businesses in the Reporting Group from highest to lowest annual Net Sales and then identified the top 19 businesses and the bottom 19 businesses. The two affiliate-owned businesses were included in the ranking, but neither fell within the top or bottom 25% of Cheba Hut Businesses. The businesses shown in Table 2A and Table 2B are all franchised businesses.

Table 2A

Top 25% of Restaurants (19 Cheba Hut Businesses)				
Average Annual Net Sales	Number/% Attained or Exceeded Average	Median Annual Net Sales	Highest Annual Net Sales	Lowest Annual Net Sales
\$3,387,924.79	9 (47.37%)	\$3,359,038.53	\$3,929,658.29	\$3,026,982.14

Table 2B

Bottom 25% of Restaurants (19 Cheba Hut Businesses)				
Average Annual Net Sales	Number/% Attained or Exceeded Average	Median Annual Net Sales	Highest Annual Net Sales	Lowest Annual Net Sales
\$1,269,356.77	11 (57.89%)	\$1,304,311.89	\$1,701,039.84	\$610,723.54



Table Two Notes:

1. For Table Two, we included 19 businesses in each group because 25% of 75 Cheba Hut Businesses is 18.75.

2. 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.

Table Three

Table 3 presents selected historical systemwide sales and operating data for Cheba Hut Businesses for calendar years 2018 through 2025. The rows labeled “Net Sales” and “Total Interactions” include all Cheba Hut Businesses that operated during the applicable year. The rows labeled “Net Sales (stores at start of year)” and “Total Interactions (stores at start of year)” include Cheba Hut Businesses that were open on January 1 of the applicable year, including any Cheba Hut Businesses that later ceased operations during that year. The rows labeled “Net Sales (new stores)” and “Total Interactions (new stores)” include Cheba Hut Businesses that opened during the applicable year and therefore were not open on January 1 of that year. In 2025, Table 3 includes all 83 Cheba Hut Businesses that operated during the year, including the 8 businesses excluded from Tables 1 and 2. The data in Table 3 includes franchised and affiliate-owned Cheba Hut Businesses that operated during the applicable year. For ease of presentation, the dollar amounts shown in Table 3 have been rounded to the nearest whole dollar, and components may not add precisely to totals due to rounding.

Table 3

Historical Systemwide Net Sales and Operating Data (2018-2025)

	2018	2019	2020	2021	2022	2023	2024	2025
Stores at Start of Year ⁽¹⁾	19	21	29	36	45	51	60	75
Net Sales ⁽²⁾	\$28,066,863	\$38,758,779	\$46,649,479	\$72,434,835	\$95,534,128	\$121,978,104	\$149,974,466	\$182,228,383
Net Sales (stores at start of year) ⁽³⁾	\$26,966,218	\$33,342,883	\$43,966,516	\$65,758,802	\$88,774,502	\$117,394,319	\$136,395,706	\$174,686,313
Net Sales (new stores) ⁽⁴⁾	\$1,100,645	\$5,415,897	\$2,682,963	\$6,676,034	\$6,759,626	\$4,583,785	\$13,578,760	\$7,542,071
Net Sales Growth % ⁽⁵⁾	N/A	38.09%	20.36%	55.27%	31.89%	27.68%	22.95%	21.51%
SSS% ⁽⁶⁾	N/A	14.47%	-5.06%	29.38%	13.02%	15.89%	3.56%	2.00%
Total Interactions ⁽⁷⁾	2,161,517	2,774,408	2,752,700	4,086,565	5,201,467	6,247,140	7,209,235	8,560,195
Total Interactions (stores at start of year) ⁽⁸⁾	2,078,328	2,420,294	2,592,985	3,693,517	4,834,797	6,005,694	6,562,411	8,212,792
Total Interactions (new stores) ⁽⁹⁾	83,189	354,114	159,715	393,048	366,670	241,446	646,824	347,403



	2018	2019	2020	2021	2022	2023	2024	2025
Interactions Growth % ⁽¹⁰⁾	N/A	28.35%	-0.78%	48.46%	27.28%	20.10%	15.40%	18.74%
SSI% ⁽¹¹⁾	N/A	8.28%	-21.67%	22.66%	9.52%	8.99%	-2.68%	-0.16%
Average Check ⁽¹²⁾	\$13	\$14	\$17	\$18	\$18	\$20	\$21	\$21
Stores at End of Year ⁽¹³⁾	21	29	36	45	51	60	75	83

Notes:

(1) “Stores at Start of Year” means the number of Cheba Hut Businesses open on January 1 of the applicable year.

(2) “Net Sales” means the aggregate Net Sales for all Cheba Hut Businesses that operated during the applicable year.

(3) “Net Sales (stores at start of year)” means the aggregate Net Sales for Cheba Hut Businesses that were open on January 1 of the applicable year, including any Cheba Hut Businesses that later ceased operations during that year.

(4) “Net Sales (new stores)” means the aggregate Net Sales for Cheba Hut Businesses that opened during the applicable year and therefore were not open on January 1 of that year.

(5) “Net Sales Growth %” means for each applicable year after the first year presented, the year-over-year percentage change in Net Sales.

(6) “SSS%” means the year-over-year percentage change in Net Sales for the subset of Cheba Hut Businesses that were open and operating continuously for the full applicable year and the full prior year. This measure is calculated using that same-store subset and is not derived by simply comparing the rows labeled Net Sales (stores at start of year).

(7) “Total Interactions” means the aggregate number of customer transactions recorded in the POS system for all Cheba Hut Businesses that operated during the applicable year.

(8) “Total Interactions (stores at start of year)” means the aggregate number of customer transactions recorded in the POS system for Cheba Hut Businesses that were open on January 1 of the applicable year, including any Cheba Hut Businesses that later ceased operations during that year.

(9) “Total Interactions (new stores)” means the aggregate number of customer transactions recorded in the POS system for Cheba Hut Businesses that opened during the applicable year and therefore were not open on January 1 of that year.

(10) “Interactions Growth %” means, for each applicable year after the first year presented, the year-over-year percentage change in Total Interactions, calculated by subtracting the prior year’s Total Interactions from the current year’s Total Interactions and dividing the result by the prior year’s Total Interactions.

(11) “SSI%” means, for each applicable year after the first year presented, the year-over-year percentage change in Total Interactions for the subset of Cheba Hut Businesses that were open and



operating continuously for the full applicable year and the full prior year. This measure is calculated using that same-store subset and is not derived by simply comparing the rows labeled “Total Interactions (stores at start of year)”.

(12) “Average Check” means Net Sales divided by Total Interactions.

(13) “Stores at End of Year” means the number of Cheba Hut Businesses open on December 31 of the applicable year.

(14) 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 2023-2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	50	58	+8
	2024	58	73	+15
	2025	73	80	+7
*Company-Owned	2023	1	2	+1
	2024	2	2	+0
	2025	2	3	+1
**Total Outlets	2023	51	60	+9
	2024	60	75	+15
	2025	75	83	+8

