	Provision	Section in Agreement*	Summary
o.	Our option to purchase your business	Section XIVC	Upon termination, we have the right (but not the obligation) to purchase or designate a third party that will purchase all or any portion of the assets of your Store at book value minus any liens.
p.	Your death or disability	Section XI.D	You can transfer your franchise rights to your heir or successor in interest like any other transfer, provided the person satisfies our training requirements and other transfer conditions, but no transfer fee is required and we will not have the right of first refusal.
q.	Non-competition covenants during the term of the franchise	Section X.D	Except as we otherwise agree to in writing, no direct or indirect involvement in the operation of any Competing Business other than the one authorized in the Franchise Agreement.
r.	Non-competition covenants after the franchise is terminated or expires	Section X.D	No direct or indirect involvement in a Competing Business for 2 years (i) at the premises of the former Store (ii) within 25 miles of the former Store or (iii) within 25 miles of any other Menchie's Store.
s.	Modification of the Agreement	Section XV.B Section 10C of the ADA	No modifications generally, but we have the right to change the Operations Manual, list of authorized Trademarks and Menu Items.
t.	Integration/merger clause	Section XV.D	Only the terms of the Franchise Agreement are binding (subject to state law). Any representations or promises made outside the Franchise Agreement or this Disclosure Document may not be enforceable.
u.	Dispute resolution by arbitration or mediation	Section XII	Except for certain claims, all disputes must be mediated in the city closest to where our headquarters are located (currently, Los Angeles, California) (subject to state law).
v.	Choice of forum	Section XV.K	Litigation must be in the applicable federal court where our headquarters are located (currently, California) (subject to state law) unless jurisdiction cannot be obtained in which case it will be arbitration. *
w.	Choice of law	Section XV.K	The law of the state where the Franchisee's Store is located will govern (subject to state law). * The law of the state where you are located will govern (subject to state law). *

*If a state regulator requires us to make additional disclosures related to the information contained in this disclosure document, these additional disclosures are contained in a State Law Addendum included in this disclosure document Exhibit E.

Item 18
PUBLIC FIGURES

We do not use any public figure to promote this franchise.

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 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 following financial performance representations contain certain historical data relating to the operation of certain of our franchised Stores / locations. The Gross Sales franchisee data included in Part 1 (Table 1 and Table 2) was taken from the information reported to us by our franchisees through our electronic point-of-sale system. The Cost of Goods Sold and Labor Cost franchisee data included in Part 2 (Table 3 and Table 4) comes from data reported to us by our franchisees. The franchisee data included in each table in this Item 19 reflects information during the annual period from January 1to December 31, 2025 (the "Measurement Period").

Part 1: Average and Median Gross Sales and Gross Sales by Category

As of December 31, 2025, we had 295 franchised Stores operating within the United States under the Trademarks. Of those 295 Stores, 278 were open and operating for the entire Measurement Period and were not located in non-traditional locations. We have included in Table 1 Average Gross Sales and Median Gross Sales number and in Table Gross Sales data for those 278 Stores because they operated during the entire Measurement Period and were in traditional locations like your Store will be in.

The Average Gross Sales numbers, the Median Gross Sales numbers, and the Gross Sales numbers reflected in Table 1 and Table 2, below, do not reflect the cost of goods sold, royalty fees and marketing fees, operating expenses or other costs or expenses that must be deducted from revenue to obtain net income or profit. You should conduct an independent investigation of the costs and expenses you may incur in operating your Store. Franchisees and former franchisees listed in this document may be one source of this information.

Table 1
2025 Average and Median Gross Sales

Average Gross Sales	**Number of Stores At or Above Average**	**Percentage of Stores At or Above Average**
$639,093	123	44%
Median Gross Sales	**Number of Stores At or Above Median**	**Percentage of Stores At or Above Median**
$595,357	139	50%

We have also broken down into tiers the number of Stores for several thresholds and categories of Gross Sales for the calendar year 2025.

Table 2
2025 Gross Sales By Category

Gross Sales	**Number of Stores In Category**
Below $200,000	3
$200,000 to $400,000	48

Above $400,000 to $600,000	89
Above $600,000 to $800,000	74
Above $800,000	64

Explanatory Notes

1. "Gross Sales" means the total revenue amount from all sources for a given Store.

2. "Average Gross Sales" means the total Gross Sales amount from all Stores included in our data set divided by the Number of Stores in the data set. The Average Gross Sales reflected above reflect a 7.5% year-over-year increase from the previous year (as of December 31, 2024).

3. "Median Gross Sales" means the Gross Sales amount that is in the center of all Stores included in our data set.

4. "Number of Stores" means the number of stores included in our data set.

Part 2: Average and Median Cost of Goods Sold and Labor Cost

We have included in Table 3 the Average Cost of Goods Sold number and in Table 4 the Average Labor Costs number for the 103 Stores that operated during the entire Measurement Period and were in traditional locations and that reported to us their Cost of Good Sold and Labor Cost data.

We do not receive detailed cost of goods and cost of labor reports from our Stores. We did request that Stores report their cost of goods sold and their cost of labor for calendar year 2025. A total of 103 Stores provided their cost of goods sold and their cost of labor for calendar year 2025. These amounts have not been audited and we rely on our reporting Stores for their accuracy.

Table 3
2025 Average and Median Cost of Goods Sold

Average Cost of Goods Sold	**Number of Stores At or Above the Average**	**Percentage of Stores At or Above Average**
25.12% of Net Sales	51	49%
Median Cost of Goods Sold	**Number of Stores At or Above the Median**	**Percentage of Stores At or Above Median**
25.20% of Net Sales	52	50%

Table 4
2025 Average and Median Labor Cost

Average Labor Cost	**Number of Stores At or Above the Average**	**Percentage of Stores At or Above Average**
24.29% of Net Sales	48	46%
Median Labor Cost	**Number of Stores At or Above the Median**	**Percentage of Stores At or Above Median**
23.97% of Net Sales	52	50%

1. "Net Sales" means Gross Sales minus discounts and deductions for customer discounts, coupons, promotional allowances, employee meals/discounts, returns, and refunds.

2. "Cost of Goods Sold" means the direct costs of producing products sold at a Store, including food, inventory, paper products, chemicals, and so forth.

3. "Average Cost of Goods Sold" is the average Cost of Goods Sold amount for the 102 Stores included in our data set.

4. "Median Cost of Goods Sold" is the Cost of Goods Sold amount that is in the center of all Stores included in our data set.

5. Labor Costs means the total wages, salaries, payroll taxes, and employee-related expenses that a franchise unit it incurs to operate. It excludes the cost of a manager because our model provides for both owner / operator operations (where the owner is the manager) and semi-absentee operations.

6. "Average Labor Cost" is the average Cost of Labor for the 102 Stores included in our data set.

7. "Median Labor Cost" is the Labor Cost amount that is in the center of all Stores included in our data set.

Bases and Assumptions

There are no material differences between the business conducted by the Stores represented in our data set and the Store to be operated by you under the Franchise Agreement for a traditional location. The Stores in our data set are representative of the Store you will operate because they operate under the same System and Trademarks and are subject to substantially similar operating requirements.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

Written substantiation for this financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representation, we do 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 disregard it and report it to our management by contacting MJ Kwon at 15250 Ventura Boulevard, Suite 100, Sherman Oaks, CA 91403, Telephone (818) 708-0316, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Systemwide 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 Outlets	2023	302	294	-8
	2024	294	295	+1
	2025	295	295	0
Company-Owned	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
Total Outlets	2023	303	295	-8
	2024	295	296	+1
	2025	296	296	0