

	Provision	Section in Development Agreement	Summary
v.	Dispute resolution by arbitration or mediation	§ 17	Disputes and claims relating to the Franchise Agreement will be settled by mediation and then arbitration at the American Arbitration Association Dispute Resolution Center in the city closest to our corporate headquarters, currently Philadelphia, Pennsylvania (subject to state law).
w.	Choice of law	§ 17	Pennsylvania law applies, subject to state law.

ITEM 18: PUBLIC FIGURES

We do not use any public figure to promote the 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/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.

This Item 19 presents information about the financial performance of certain Shops that operated at a minimum during the period starting March 1, 2025 and ending September 30, 2025 (the “**2025 Season**”).

Please read the following tables in conjunction with the notes that follow.

Table 1

Reported Gross Sales for 2025 Calendar Year for 2025 Sample

Tier	Top Tier	Middle Tier	Bottom Tier
Number of Shops in Tier	177	176	177
Highest Gross Sales for Tier	\$1,415,321	\$404,688	\$295,321
Lowest Gross Sales for Tier	\$404,917	\$295,417	\$30,400
Average Gross Sales for Tier	\$558,103	\$345,566	\$220,095

Number of Shops in Tier that obtained or exceed Average Gross Sales for such Tier	60 (33.9% of Top Tier and 11.3% of the 2025 Sample)	80 (45.5% of Middle Tier and 15.1% of the 2025 Sample)	103 (58.2% of Bottom Tier and 19.4% of the 2025 Sample)
Median Gross Sales for Tier	\$515,160	\$340,963	\$228,195

Notes to Table 1:

1. Except as noted below, Table 1 reflects reported Gross Sales data for Shops Systemwide that were continuously operating during at least the 2025 Season and reported Gross Sales for the 2025 Season. Our Franchise Agreements require all Shops operating under the System to operate for the entire Season. Shops that are Seasonal are only required to operate for the Season, and Shops that are Year Around must operate the entire year. Shops that are Seasonal are permitted, at their option, (i) to open before the Season starts and (ii) to close after the Season ends. The reported Gross Sales data in Table 1 includes Gross Sales for both Seasonal and Year Around Shops. There were 80 Year Around Shops and 450 Seasonal Shops in the 2025 Sample (defined below) that operated during the 2025 calendar year. Some Shops that are Seasonal (i) are located in resort towns/cities and operated for less than the 2025 Season, and (ii) operated for longer than the 2025 Season (in some cases, the entire 2025 calendar year). The data reflects the Gross Sales for the entire period that each Shop operated in 2025.

2. Gross Sales for purposes of this Item 19 has the same meaning as “Gross Sales” defined in Item 6. Gross Sales for each Shop includes any sales through Mobile Units and/or Satellites operating under such Shop’s Franchise Agreement. Many System franchisees actively pursue Third-Party Delivery Services, Catering Activities and Mobile Events at a location other than the Shop. The reported Gross Sales data in Table 1 includes Third-Party Delivery Services, Catering Activities and Mobile Events for Shops that engage in those opportunities. Franchisees who do not pursue these opportunities may be negatively affected and have less Gross Sales.

3. The figures reflected in Table 1 (i) reflect 530 Shops that reported Gross Sales during the 2025 Season (the “**2025 Sample**”), and (ii) do not include 45 Shops (excluded from the Sample) that operated for the 2025 Season but closed at some point in 2025 or were terminated at some point in 2025 (because such Shops were generally in winddown mode and/or operating with a reduced staff and a product offering limited to their remaining inventory). Of the 2025 Sample, (a) 9 Shops in the 2025 Sample reported sales through a Satellite, (b) 64 Shops in the 2025 Sample reported sales through one or more Mobile Units, and (c) 33 Shops in the 2025 Sample had a drive thru.

4. Table 1 divides the 2025 Sample into three categories (Top Tier, Middle Tier and Bottom Tier), based on their Gross Sales as compared with the sales for the 530 total Shops considered in arriving at these figures. Each average represents the average Gross Sales for Shops within each Tier. High sales and low sales represent the Shops within each tier that attained the highest and lowest Gross Sales.

Table 2

Mix of Menu Items Sold Systemwide in 2025

Menu Item	Percentage of Systemwide Sales
GELATI	25.8%
ITALIAN ICE	24.4%
CUSTARD	19.6%
BLENDINI/CONCRETE	6.7%
MILKSHAKES	3.2%
GELATI BLENDERS (f/k/a MISTOS)	2.6%
ICE BLENDERS (f/k/a FROZEN BEVERAGES)	1.7%
FROZEN COFFEE	0.8%
FROZEN LEMONADE	0.4%
MISCELLANEOUS	14.8%
TOTAL	100%

Notes to Table 2:

1. Table 2 reflects the mix of Menu Items sold Systemwide during the 2025 calendar year.
2. The figures in the above table reflect the sales of each Menu Item as a percentage of total Systemwide sales during the 2025 calendar year.
3. Note that all products sold through Third-Party Delivery Services are included under the “Miscellaneous” category.

Table 3

**Reported Gross Sales for 2025 Calendar Year
Drive-Thru Shops vs. Non Drive-Thru Shops**

2025 Drive Thru vs. Non-Drive Thru Shops	Drive Thru	Non-Drive Thru
Shop Count	33	495
Average	\$508,897	\$366,957
Median	\$460,224	\$337,133
Low	\$265,050	\$66,904
High	\$949,095	\$1,415,321
Number of shops that achieved average	13	201
Percent of shops that achieved average	39.4%	40.6%

Notes to Table 3:

1. Table 3 reflects sales figures for the 33 Shops in the System that have a drive-thru vs. the 495 Shops in the System that do not have a drive-thru

2. Table 3 includes Shops which were open for at least one full year as of December 28, 2025.
3. Drive Thru Shops in Table 3 exclude 4 Shops that only have pickup windows, not a full drive-thru setup, and 2 shops who had extended temporary closures during the 2025 Season.

Table 4

Cost of Goods for 2025 Calendar Year

	Top	Middle	Bottom	Average
Number of Shops	168	167	168	
Avg. Sales	\$558,602	\$346,957	\$221,606	\$375,779
Median Sales	\$515,614	\$342,175	\$228,022	\$342,175
Avg. Food Cost	\$76,612	\$53,724	\$36,695	\$55,681
<i>Food Cost as % of Sales</i>	<i>13.7%</i>	<i>15.5%</i>	<i>16.6%</i>	<i>14.8%</i>
Avg. Paper Cost	\$12,276	\$8,480	\$5,622	\$8,793
<i>Paper Cost as % of Sales</i>	<i>2.2%</i>	<i>2.4%</i>	<i>2.5%</i>	<i>2.3%</i>
Avg. Fuel Surcharge	\$603	\$484	\$363	\$483
<i>Fuel Surcharge as % of Sales</i>	<i>0.1%</i>	<i>0.1%</i>	<i>0.2%</i>	<i>0.1%</i>
Avg. Food, Paper, & Fuel Surcharge Costs	\$89,491	\$62,687	\$42,680	\$64,957
<i>Food, Paper, & Fuel Surcharge Costs as % of Sales</i>	<i>16.0%</i>	<i>18.1%</i>	<i>19.3%</i>	<i>17.3%</i>
Avg. Weeks Open	40.2	39.5	39.1	39.6
Year Weeks	52.0	52.0	52.0	52.0
% of Year	77.3%	76.0%	75.3%	76.2%
Months in Year	9.3	9.1	9.0	9.1

Food Cost as % of Sales	
Number of Shops in Sample	503
High	27.0%
Low	2.3%
Average	14.8%
Number of Shops that obtained or has less than average	209
<i>% of Shops in Sample</i>	<i>41.6%</i>
Median	15.4%

Paper Cost as % of Sales	
Number of Shops in Sample	503
High	4.9%
Low	0.6%
Average	2.3%
Number of Shops that obtained or has less than average	229

<i>% of Shops in Sample</i>	45.5%
Median	2.4%

Fuel Surcharge as % of Sales	
Number of Shops in Sample	503
High	0.3%
Low	0.0%
Average	0.1%
Number of Shops that obtained or has less than average	211
<i>% of Shops in Sample</i>	41.9%
Median	0.1%

Notes to Table 4:

1. Table 4 reflects the cost of goods in Shops during 2025 and includes only shops with at least 26 weeks of sales.
2. The cost of goods for Mobile Units and Satellites were counted in the sales of their parent Shop.
3. Costs of goods reflected in Table 4 do not include payments of Royalty Fees or Advertising Contributions.
4. Food Costs include Bottled Water, Custard, Custard (Kosher), Mixes, Mixes (Sugarfree), Pretzels, Sugar, Waffle Cones and other ambient and refrigerated ingredients.
5. The following items are not included in food costs in Table 4, as we do not sell these items directly to franchisees: test items, hot dogs, Philadelphia style pretzels, and fresh fruit.
6. The following items may not be included in food and paper costs as some franchisees periodically source out of network: non-proprietary items such as spoons, napkins, straws, and sugar.

NOTES TO ENTIRE ITEM 19:

1. The information reflected in this Item 19 was compiled from unaudited information reported to us by our franchisees. We have not independently verified any of the sales information upon which this financial performance representation is based and the information has not been prepared on a basis consistent with generally accepted accounting principles.
2. The financial performance representations figures do not reflect the operating expenses or other costs or expenses (i.e., rent) that must be deducted from the Gross Sales figures to obtain potential net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in opening and operating a Shop.
3. Many of the Shops included in this data have been open and operating for years. These franchisees have achieved their level of sales after spending many years building customer goodwill at a particular location. A newly opened business should not be expected to achieve sales volume (or maintain expenses) similar to those of an established business.

4. The sales results for a Shop are affected by a number of factors including but not limited to: whether the Shop has a Satellite and/or engages in Third-Party Delivery Services, Mobile Events and/or Catering; weather conditions in the market; the physical location of the Shop; local demographics (including daytime and residential population and income levels); site characteristics (i.e. visibility, traffic count, ease of ingress and egress, parking availability); seating; the offering of online ordering and/or curbside service; the presence of a walk-up window and/or drive-thru; seasonality (particularly in colder climates); local competition; brand and product awareness in the market; the number of Shops in the market; the presence of a Cooperative in the market; your local advertising and promotion spending, and your individual marketing efforts. Sales may also be affected by other factors such as the length of the seasons, unusual weather events and road construction affecting traffic patterns. Sales may also be affected by the strength of and public reception to the Rita’s brand in the market, the length of time the Rita’s brand has been in the market, the overall brand marketing within the market (which is determined by the number of Shops in the media market and whether there is a Cooperative in the media market), the flavors you offer, the overall public familiarity with Italian Ice in the market, and the overall public desire for Italian ice and custard in the market.

5. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

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Some outlets 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, 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 report it to the franchisor's management by contacting by contacting the Legal Department, Rita’s Franchise Company, LLC at 1210 Northbrook Drive, Suite 310, Trevese, PA 19053 and (800) 677-7482, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20: Outlets and Franchisee Information

Table 20.1 System Wide 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
<i>Franchised</i>	2023	528	546	18
	2024	546	564	18
	2025	564	569	5
<i>Company-Owned¹</i>	2023	0	1	1
	2024	1	5	4
	2025	5	9	4
<i>Total Outlets</i>	2023	528	547	19
	2024	547	569	22