

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) 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.

DEFINITIONS

- (a) Average – means the sum of all data points in a set, divided by the number of data points in that set.
- (b) Calendar Year – means, as to each respective year, the 12 month period commencing on January 1 and ending on December 31.
- (c) Company Owned Outlet – means an Outlet owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document. A Company Owned Outlet also includes any Outlet that is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document and that is managed by us our affiliate or any person identified in Item 2.
- (d) Direct Gross Profit – means Gross Sales less Food Cost and Direct Labor Cost. Direct Gross Profit is not net profit or income and, except as to Food Cost and Direct Labor Cost, does not include the deduction of all other expenses incurred by a West Coast Sourdough Restaurant including, but not limited to, payroll taxes, employee benefits, operating expenses (including, but not limited to, rent, utilities, marketing, training, insurance, professional fees, maintenance, administrative and operational expenses), interest, taxes, depreciation, and amortization.
- (e) Direct Labor Cost – means the gross wages paid to employees in connection with the preparation and service of menu items. “Direct Labor Cost” includes gross wages paid to general managers and assistant managers.
- (f) Food Cost – means the direct costs incurred by the Outlet for all food and beverage ingredient items that are used in preparing a menu item. “Food Cost” includes the cost of paper goods used to serve the menu items but does not include Direct Labor Cost or other expenses.
- (g) Franchise Outlet – refers to a West Coast Sourdough Restaurant operated under a Franchise Agreement that is not a Company Owned Outlet.
- (h) Franchise Related Expenses – means the following select fees currently required under the Franchise Agreements: Royalty Fees, Brand Development Fund Fees, Technology Fees, POS System Fees, and local marketing expenditures. Franchise Related Expenses do not include all fee and payment obligations required under a Franchise Agreement.
- (i) Gross Sales – means the total revenue derived by each West Coast Sourdough Restaurant less sales tax, discounts, allowances and returns.
- (j) Median – means the data point that is in the center of all data points used. That number is found by

examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.

(k) New Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2024, as to the 2024 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet, see definition below. If this Franchise Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2025 Calendar Year.

(l) Operational Franchise Outlet(s) – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation prior to the commencement of the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2024, as to the 2024 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet, see definition above, and not as an Operational Franchise Outlet. If this Franchise Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2025 Calendar Year.

(m) Outlet – refers to a West Coast Sourdough Restaurant that is either a Company Owned Outlet or a Franchise Outlet, as the context requires.

BASES AND ASSUMPTIONS

The financial information was not prepared on a basis consistent with generally accepted accounting principles. Data for our Company Owned Outlet is based on information reported to us by our affiliate. Data for our Operational Franchise Outlets are based on financial information reported to us by our franchisees. The information in this analysis has not been audited, is based on historical financial data and is not a forecast or projection of future financial performance.

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ANALYSIS OF RESULTS OF COMPANY OWNED OUTLET

During the 2025 Calendar Year we had one Operational Company Owned Outlet. This Company Owned Outlet first opened for business in March 2023 as a franchise outlet. We acquired this Outlet as a Company Owned Outlet in January 2025. This Outlet operates in an approximate 1,300 square foot Restaurant facility. Material financial and operational characteristics that are reasonably anticipated to differ from future operational franchise outlets include: (a) managerial skill and efficiency experienced by our Company Owned Outlet as a result of our extensively experienced management team; (b) brand recognition within the local market in which our Company Owned Outlet operates; and (c) no obligation to pay ongoing fees that a franchisee will pay to us, such as Royalty Fees and Brand Development Fund Fees. Below we report financial information for our Company Owned Outlet for the 2025 Calendar Year.

Company Owned Outlet		
	2025 Calendar Year	
	Total	%¹
Gross Sales	\$461,112	100.00%
Less:		
Food Cost	\$156,627	33.97%
Direct Labor Cost	\$115,589	25.07%
Direct Gross Profit	\$188,896	40.97%
Less: Franchise Related Expenses		
Royalty Fee ²	\$23,056	5.00%
Brand Development Fund Fee ³	N/A	N/A
Local Marketing ⁴	\$4,611	1.00%
POS System Fee ⁵	\$4,320	0.94%
Technology Fee ⁶	N/A	N/A
Direct Gross Profit After Franchise Related Expenses	\$156,909	34.03%
Notes to Table:		
¹ “%” represents the percentage of total Gross Sales.		
² The Royalty Fee is equal to the greater of: (a) 5% of Gross Sales; or (b) \$1,000 per month.		
³ The Brand Development Fund Fee is not currently charged but we reserve the right to implement and charge the Brand Development Fund Fee in an amount equal to up to 1% of Gross Sales.		
⁴ On an on-going monthly basis, you must spend not less than 1% of Gross Sales on the local marketing of your West Coast Sourdough Restaurant.		
⁵ The POS System is currently equal to an amount of \$360 per month.		
⁶ The Technology Fee is not currently charged but we reserve the right to implement and charge the Technology Fee in an amount equal to up to \$500 per month.		

ANALYSIS OF RESULTS OF OPERATIONAL FRANCHISE OUTLETS

During the 2024 Calendar Year we had a total of 49 Franchise Outlets. Of the 49 Franchise Outlets, 35 Franchise Outlets qualified as Operational Franchise Outlets and 14 Franchise Outlets qualified as New Franchise Outlets. During the 2025 Calendar Year we had a total of 64 Franchise Outlets. Of the 64 Franchise Outlets, 47 Franchise Outlets were Operational Franchise Outlets, and 17 Franchise Outlets were New Franchise Outlets. The data provided below is limited to our Operational Franchise Outlets that are representative of the Franchised Business. We exclude the financial performance information for our New Franchise Outlets because they were not open and in operation for the entire duration of the Calendar Year and for one Operational Franchise Outlet that experienced an interruption in operations and was closed for part of the 2025 Calendar Year. Our Franchise Outlets are further described below:

Table 1

Operational Franchise Outlets	
Franchise Outlet	Description
Franchise Outlet 1	This Franchise Outlet opened in March 2020, operates in an approximate 1,100 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 2	This Franchise Outlet opened in March 2020, operates in an approximate 1,050 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 3	This Franchise Outlet opened in March 2020, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 4	This Franchise Outlet opened in March 2020, operates in an approximate 1,250 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 5	This Franchise Outlet opened in July 2020, operates in an approximate 1,400 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 6	This Franchise Outlet opened in August 2020, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 7	This Franchise Outlet opened in April 2021, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 8	This Franchise Outlet opened in May 2021, operates in an approximate 1,200 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 9	This Franchise Outlet opened in September 2021, operates in an approximate 1,350 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 10	This Franchise Outlet opened in October 2021, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 11	This Franchise Outlet opened in November 2021, operates in an approximate 1,250 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 12	This Franchise Outlet opened in December 2021, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 13	This Franchise Outlet opened in December 2021, operates in an approximate 1,250 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 14	This Franchise Outlet opened in January 2022, operates in an approximate 1,700 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 15	This Franchise Outlet opened in March 2022, operates in an approximate 1,400 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 16	This Franchise Outlet opened in April 2022, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 17	This Franchise Outlet opened in August 2022, operates in an approximate 1,900 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 18	This Franchise Outlet opened in August 2022, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 19	This Franchise Outlet opened in October 2022, operates in an approximate 1,200 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 20	This Franchise Outlet opened in October 2022, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 21	This Franchise Outlet opened in October 2022, operates in an approximate 1,250 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 22	This Franchise Outlet opened in November 2022, operates in an approximate 1,700 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 23	This Franchise Outlet opened in January 2023, operates in an approximate 1,600 square foot Restaurant facility, and is representative of the Franchised Business.
Franchise Outlet 24	This Franchise Outlet opened in January 2023, operates in an approximate 1,600 square foot Restaurant facility, and is representative of the Franchised Business.

Franchise Outlet 42	This Franchise Outlet opened in September 2024, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2024 Calendar Year, we exclude financial information for this Outlet for the 2024 Calendar Year.
Franchise Outlet 43	This Franchise Outlet opened in October 2024, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2024 Calendar Year, we exclude financial information for this Outlet for the 2024 Calendar Year.
Franchise Outlet 44	This Franchise Outlet opened in November 2024, operates in an approximate 1,200 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2024 Calendar Year, we exclude financial information for this Outlet for the 2024 Calendar Year.
Franchise Outlet 45	This Franchise Outlet opened in November 2024, operates in an approximate 2,100 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2024 Calendar Year, we exclude financial information for this Outlet for the 2024 Calendar Year.
Franchise Outlet 46	This Franchise Outlet opened in December 2024, operates in an approximate 1,200 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2024 Calendar Year, we exclude financial information for this Outlet for the 2024 Calendar Year.
Franchise Outlet 47	This Franchise Outlet opened in January 2025, operates in an approximate 1,000 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this Item 19 .
Franchise Outlet 48	This Franchise Outlet opened in January 2025, operates in an approximate 1,200 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this Item 19 .
Franchise Outlet 49	This Franchise Outlet opened in April 2025, operates in an approximate 1,400 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this Item 19 .
Franchise Outlet 50	This Franchise Outlet opened in May 2025, operates in an approximate 1,400 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this Item 19 .
Franchise Outlet 51	This Franchise Outlet opened in May 2025, operates in an approximate 1,200 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this Item 19 .
Franchise Outlet 52	This Franchise Outlet opened in May 2025, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this Item 19 .
Franchise Outlet 53	This Franchise Outlet opened in June 2025, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this Item 19 .
Franchise Outlet 54	This Franchise Outlet opened in June 2025, operates in an approximate 1,500 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this Item 19 .

Franchise Outlet 55	This Franchise Outlet opened in July 2025, operates in an approximate 1,400 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this <u>Item 19</u> .
Franchise Outlet 56	This Franchise Outlet opened in July 2025, operates in an approximate 1,200 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this <u>Item 19</u> .
Franchise Outlet 57	This Franchise Outlet opened in September 2025, operates in an approximate 1,000 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this <u>Item 19</u> .
Franchise Outlet 58	This Franchise Outlet opened in October 2025, operates in an approximate 1,300 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this <u>Item 19</u> .
Franchise Outlet 59	This Franchise Outlet opened in October 2025, operates in an approximate 1,800 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this <u>Item 19</u> .
Franchise Outlet 60	This Franchise Outlet opened in October 2025, operates in an approximate 1,100 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this <u>Item 19</u> .
Franchise Outlet 61	This Franchise Outlet opened in November 2025, operates in an approximate 1,400 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this <u>Item 19</u> .
Franchise Outlet 62	This Franchise Outlet opened in November 2025, operates in an approximate 1,100 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this <u>Item 19</u> .
Franchise Outlet 63	This Franchise Outlet opened in December 2025, operates in an approximate 1,200 square foot Restaurant facility, and is representative of the Franchised Business. Since this Outlet constitutes a New Franchise Outlet for the 2025 Calendar Year and was not open for the full 2025 Calendar Year, it is excluded from this <u>Item 19</u> .

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Below we report select financial performance data as to our Operational Franchise Outlets during the respective Calendar Year.

Table 2

Operational Franchise Outlet 1				
	2024 Calendar Year		2025 Calendar Year	
	Total	%¹	Total	%¹
Gross Sales	\$561,341	100.00%	\$544,063	100.00%
Less:				
Food Cost	\$144,318	25.72%	\$139,695	25.68%
Direct Labor Cost	\$128,057	22.82%	\$142,869	26.26%
Direct Gross Profit	\$288,745	51.46%	\$261,499	48.06%
Less: Franchise Related Expenses				
Royalty Fee ²	\$28,056	5.00%	\$27,203	5.00%
Brand Development Fund Fee ³	N/A	N/A	N/A	N/A
Local Marketing ⁴	\$5,611	1.00%	\$5,441	1.00%
POS System Fee ⁵	\$4,320	0.77%	\$4,320	0.79%
Technology Fee ⁶	N/A	N/A	N/A	N/A
Direct Gross Profit After Franchise Related Expenses	\$250,758	44.67%	\$224,535	41.27%

Table 3

Operational Franchise Outlet 2				
	2024 Calendar Year		2025 Calendar Year	
	Total	%¹	Total	%¹
Gross Sales	\$352,487	100.00%	\$356,561	100.00%
Less:				
Food Cost	\$108,083	30.66%	\$97,963	27.47%
Direct Labor Cost	\$50,191	14.24%	\$46,404	13.01%
Direct Gross Profit	\$194,213	55.10%	\$212,194	59.51%
Less: Franchise Related Expenses				
Royalty Fee ²	\$17,624	5.00%	\$17,828	5.00%
Brand Development Fund Fee ³	N/A	N/A	N/A	N/A
Local Marketing ⁴	\$3,524	1.00%	\$3,566	1.00%
POS System Fee ⁵	\$4,320	1.23%	\$4,320	1.21%
Technology Fee ⁶	N/A	N/A	N/A	N/A
Direct Gross Profit After Franchise Related Expenses	\$168,745	47.87%	\$186,481	52.30%

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Table 4

Operational Franchise Outlet 3				
	2024 Calendar Year		2025 Calendar Year	
	Total	%¹	Total	%¹
Gross Sales	\$1,031,943	100.00%	\$1,060,568	100.00%
Less:				
Food Cost	\$255,705	24.78%	\$252,384	23.80%
Direct Labor Cost	\$172,970	16.76%	\$180,534	17.02%
Direct Gross Profit	\$603,268	58.46%	\$627,650	59.18%
Less: Franchise Related Expenses				
Royalty Fee ²	\$51,597	5.00%	\$53,028	5.00%
Brand Development Fund Fee ³	N/A	N/A	N/A	N/A
Local Marketing ⁴	\$10,319	1.00%	\$10,606	1.00%
POS System Fee ⁵	\$4,320	0.42%	\$4,320	0.41%
Technology Fee ⁶	N/A	N/A	N/A	N/A
Direct Gross Profit After Franchise Related Expenses	\$537,032	52.04%	\$559,696	52.77%

Table 5

Operational Franchise Outlet 4				
	2024 Calendar Year		2025 Calendar Year	
	Total	%¹	Total	%¹
Gross Sales	\$710,599	100.00%	\$638,074	100.00%
Less:				
Food Cost	\$215,510	30.33%	\$177,928	27.89%
Direct Labor Cost	\$167,784	23.61%	\$136,156	21.34%
Direct Gross Profit	\$327,305	46.06%	\$323,990	50.78%
Less: Franchise Related Expenses				
Royalty Fee ²	\$35,529	5%	\$31,904	5%
Brand Development Fund Fee ³	N/A	N/A	N/A	N/A
Local Marketing ⁴	\$7,105	1%	\$6,381	1%
POS System Fee ⁵	\$4,320	0.61%	\$4,320	0.68%
Technology Fee ⁶	N/A	N/A	N/A	N/A
Direct Gross Profit After Franchise Related Expenses	\$280,351	39.45%	\$281,385	44.10%

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Table 6

Operational Franchise Outlet 5				
	2024 Calendar Year		2025 Calendar Year	
	Total	%¹	Total	%¹
Gross Sales	\$746,957	100.00%	\$684,377	100.00%
Less:				
Food Cost	\$187,842	25.15%	\$172,513	25.21%
Direct Labor Cost	\$154,426	20.67%	\$160,494	23.45%
Direct Gross Profit	\$404,689	54.18%	\$351,370	51.34%
Less: Franchise Related Expenses				
Royalty Fee ²	\$37,347	5.00%	\$34,219	5.00%
Brand Development Fund Fee ³	N/A	N/A	N/A	N/A
Local Marketing ⁴	\$7,469	1.00%	\$6,844	1.00%
POS System Fee ⁵	\$4,320	0.58%	\$4,320	0.63%
Technology Fee ⁶	N/A	N/A	N/A	N/A
Direct Gross Profit After Franchise Related Expenses	\$355,553	47.60%	\$305,987	44.71%

Table 7

Operational Franchise Outlet 6				
	2024 Calendar Year		2025 Calendar Year	
	Total	%¹	Total	%¹
Gross Sales	\$408,621	100.00%	\$413,837	100.00%
Less:				
Food Cost	\$99,046	24.24%	\$95,946	23.18%
Direct Labor Cost	\$82,960	20.30%	\$58,040	14.02%
Direct Gross Profit	\$226,615	55.46%	\$259,851	62.79%
Less: Franchise Related Expenses				
Royalty Fee ²	\$20,431	5.00%	\$20,692	5.00%
Brand Development Fund Fee ³	N/A	N/A	N/A	N/A
Local Marketing ⁴	\$4,086	1.00%	\$4,138	1.00%
POS System Fee ⁵	\$4,320	1.06%	\$4,320	1.04%
Technology Fee ⁶	N/A	N/A	N/A	N/A
Direct Gross Profit After Franchise Related Expenses	\$197,778	48.40%	\$230,701	55.74%

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