

**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 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.

**Factual Basis and Material Assumptions**

You should consider the following factual basis and material assumptions in reviewing this Item 19:

1. As of December 26, 2021, we had 911 open and operating Restaurants. Of these 911 Restaurants, 765 of these Restaurants were owned and operated by third-party franchisees that are not owned or controlled by our affiliates (the "**Franchised Restaurants**"). The data utilized in Tables 1 and 2 are based solely on the operating results of the 727 Franchised Restaurants that were open and operating for at least 51 weeks of the 52-week fiscal year ending on December 26, 2021 (the "**Measured Restaurants**"). We did not include in the analysis (a) 146 Restaurants that were owned or controlled by our affiliate, ZAX; (b) 29 Franchised Restaurants that temporarily closed for more than one week during the period, and (c) 9 Franchised Restaurants that opened during the period. No Restaurant permanently closed during its first 12 months of operation.

2. All of the Measured Restaurants are free-standing Restaurants that offer substantially the same products and services as are currently utilized in all of the Franchised Restaurants.
3. For purposes of this Item 19, the term “**Gross Revenues**” means all revenues received by a Restaurant as payment for all sales generated through the Restaurant, whether such payment is in cash, by exchange or for credit (and, if for credit, regardless of collection), including revenues received from the operation of vending machines or other mechanical devices, less any revenues taxes collected and transmitted to appropriate taxing authorities.
4. Except as otherwise noted in Table 3, this Item 19 utilizes data for the 52-week period beginning on December 27, 2020 and ending on December 26, 2021 (“**Fiscal Year 2021**”). The financial performance representation is an historical representation about the franchise system’s Restaurants.

**TABLES 1 AND 2 – GROSS REVENUES AND OPERATING COSTS FOR MEASURED RESTAURANTS**

Tables 1 and 2 contain an analysis of Gross Revenues and certain operating costs and expenses (cost of goods sold, labor costs and other operating expenses) of all the Measured Restaurants for Fiscal Year 2021.

In Tables 1 and 2, the Measured Restaurants were divided into four categories based on the amount of Gross Revenues for each Measured Restaurant, which are classified as: Top Quartile, Second Quartile, Third Quartile and Bottom Quartile. In Table 1, the average Gross Revenues and average operating costs and expenses for each of the categories was calculated by adding the Gross Revenues or certain operating costs and expenses, as applicable, of all Measured Restaurants within each quartile and dividing by the total number of Measured Restaurants within such quartile. The average Gross Revenues and costs and expenses in each quartile were then compared to the average Gross Revenues in such quartile and expressed as a percentage.

**TABLE 1**  
**ANALYSIS OF GROSS REVENUES AND OPERATING COSTS**  
**FOR MEASURED RESTAURANTS IN FISCAL YEAR 2021**

	Top 25%		Second 25%		Third 25%		Bottom 25%	
	\$	%	\$	%	\$	%	\$	%
<b>GROSS REVENUE</b>	<b>\$3,468,473</b>	<b>100.0%</b>	<b>\$2,724,487</b>	<b>100.0%</b>	<b>\$2,274,123</b>	<b>100.0%</b>	<b>\$1,708,846</b>	<b>100.0%</b>
<b>COST OF SALES</b>								
Chicken	\$549,102	15.8%	\$422,057	15.5%	\$352,462	15.5%	\$261,886	15.3%
Other Food	\$353,724	10.2%	\$286,965	10.5%	\$238,846	10.5%	\$183,968	10.8%
Beverages General	\$98,481	2.8%	\$78,787	2.9%	\$66,257	2.9%	\$52,898	3.1%
Paper and Plastic Supplies	\$78,395	2.3%	\$59,087	2.2%	\$49,812	2.2%	\$38,106	2.2%
Produce	\$42,061	1.2%	\$35,592	1.3%	\$30,245	1.3%	\$23,621	1.4%
Bread Products	\$38,881	1.1%	\$30,775	1.1%	\$25,897	1.1%	\$19,725	1.2%
Net Inventory	(\$7,698)	-0.2%	(\$5,848)	-0.2%	(\$4,064)	-0.2%	(\$4,120)	-0.2%

	Top 25%		Second 25%		Third 25%		Bottom 25%	
	\$	%	\$	%	\$	%	\$	%
<b>SUBTOTAL FOOD</b>	<b>\$1,152,946</b>	<b>33.2%</b>	<b>\$907,415</b>	<b>33.3%</b>	<b>\$759,455</b>	<b>33.4%</b>	<b>\$576,085</b>	<b>33.7%</b>
Delivery Fees	\$54,404	1.6%	\$37,470	1.4%	\$23,723	1.0%	\$23,387	1.4%
Oil & Shortening	\$32,307	0.9%	\$27,272	1.0%	\$25,189	1.1%	\$21,079	1.2%
Customer Controlled - Paper	\$30,688	0.9%	\$24,209	0.9%	\$21,131	0.9%	\$15,649	0.9%
Customer Controlled - Food	\$5,492	0.2%	\$4,932	0.2%	\$3,571	0.2%	\$2,840	0.2%
Transportation-In	\$278	0.0%	\$287	0.0%	\$253	0.0%	\$421	0.0%
<b>COST OF GOODS SOLD</b>	<b>\$1,276,115</b>	<b>36.8%</b>	<b>\$1,001,586</b>	<b>36.8%</b>	<b>\$833,322</b>	<b>36.6%</b>	<b>\$639,460</b>	<b>37.4%</b>
<b>LABOR</b>	<b>\$742,689</b>	<b>21.4%</b>	<b>\$617,052</b>	<b>22.6%</b>	<b>\$529,864</b>	<b>23.3%</b>	<b>\$427,298</b>	<b>25.0%</b>
<b>GROSS PROFIT</b>	<b>\$1,449,670</b>	<b>41.8%</b>	<b>\$1,105,850</b>	<b>40.6%</b>	<b>\$910,936</b>	<b>40.1%</b>	<b>\$642,088</b>	<b>37.6%</b>
<b>OTHER OPERATING EXPENSES</b>								
Royalties	\$205,020	5.9%	\$159,079	5.8%	\$134,037	5.9%	\$94,197	5.5%
Other Operating Expenses	\$132,786	3.8%	\$104,134	3.8%	\$108,700	4.8%	\$83,076	4.9%
Advertising Expenses	\$126,721	3.7%	\$99,618	3.7%	\$81,963	3.6%	\$59,358	3.5%
TELEPHONE AND UTILITIES	\$50,756	1.5%	\$48,044	1.8%	\$46,738	2.1%	\$41,668	2.4%
PROFESSIONAL FEES	\$46,435	1.3%	\$39,027	1.4%	\$34,194	1.5%	\$24,269	1.4%
Rent and Occupancy Expense	\$187,009	5.4%	\$184,435	6.8%	\$168,068	7.4%	\$163,755	9.6%
<b>Total Other Operating Expenses</b>	<b>\$748,727</b>	<b>21.6%</b>	<b>\$634,339</b>	<b>23.3%</b>	<b>\$573,701</b>	<b>25.2%</b>	<b>\$466,323</b>	<b>27.3%</b>
Total Expenses	\$2,767,530	79.8%	\$2,252,976	82.7%	\$1,936,887	85.2%	\$1,533,081	89.7%
EBITDA from Operations	\$700,943	20.2%	\$471,511	17.3%	\$337,235	14.8%	\$175,765	10.3%

### **Notes to Table 1:**

- Table 1 is not a profit and loss statement. The cost and expense information in this Item 19 pertains only to the cost of goods sold, labor costs, and other operating expenses experienced by the Measured Restaurants. You may experience capitalized or other balance sheet expenditures that are not included in this cost and expense information, such as the cost of additional or replacement equipment, debt payments, and interest expenses. Costs and expenses in the operation of a Restaurant will vary from franchisee to franchisee and from location to location and will depend on seasonal, local and other factors, like the franchisee's efficiency in the utilization of products, the cost of transportation, and the fluctuation in market prices for food and other products.
- For purposes of this Item 19, the term "**EBITDA**" shall mean Gross Revenues less cost of goods sold, labor costs (excluding officer salaries), and all other operating expenses (excluding interest, taxes, depreciation, and amortization). The following table discloses the number and percentage of Measured Restaurants in each quartile above the average EBITDA disclosed in Table 1 for each quartile and the median EBITDA for each quartile:

Quartile	Restaurant Count	Average EBITDA from Operations	# of Restaurants in Quartile Above Average EBITDA for Quartile	% of Restaurants in Quartile Above Average EBITDA for Quartile	Median EBITDA from Operations
Top Quartile	182	\$700,943	87	47.8%	\$691,596
Second Quartile	182	\$471,511	85	46.7%	\$460,423
Third Quartile	181	\$337,235	91	50.3%	\$345,126
Bottom Quartile	182	\$175,765	89	48.9%	\$170,020

3. Labor costs in Table 1 do not include officers' salaries and benefits for any Measured Restaurant that captures or recognizes that expense. Labor costs will vary from location to location and will depend on local factors, including (without limitation) local minimum wage laws and local labor market conditions. Because you will need a certain number of employees to open and operate a Restaurant regardless of its Gross Revenues, Restaurants that have lower than average Gross Revenues typically experience higher than average labor costs as a percentage of Gross Revenues.

**TABLE 2  
SUMMARY OF GROSS REVENUES OF MEASURED RESTAURANTS  
IN FISCAL YEAR 2021**

Quartile	Restaurant Count	Average Gross Revenues	# of Restaurants Above Average Gross Revenues	% of Restaurants Above Average Gross Revenues	Median Gross Revenues	Lowest Gross Revenues	Highest Gross Revenues
Top Quartile	182	\$3,468,473	68	37.4%	\$3,340,541	\$2,986,849	\$5,331,733
Second Quartile	182	\$2,724,487	89	48.9%	\$2,718,075	\$2,497,295	\$2,981,959
Third Quartile	181	\$2,274,123	94	51.9%	\$2,280,973	\$2,045,015	\$2,496,077
Bottom Quartile	182	\$1,708,846	110	60.4%	\$1,773,573	\$839,494	\$2,043,866
<b>All Measured Restaurants</b>	<b>727</b>	<b>\$2,544,354</b>	<b>344</b>	<b>47%</b>	<b>\$2,497,295</b>	<b>\$839,494</b>	<b>\$5,331,733</b>

**TABLE 3 – AVERAGE ANNUAL GROSS REVENUES OF FRANCHISED RESTAURANTS IN FISCAL YEARS 2019, 2020, AND 2021**

Table 3 below shows the average annual Gross Revenues of Franchised Restaurants for our 2019, 2020 and 2021 fiscal years.

**TABLE 3**  
**AVERAGE ANNUAL GROSS REVENUES OF FRANCHISED RESTAURANTS**  
**IN FISCAL YEARS 2019, 2020, AND 2021**

Year	Restaurant Count	Average Gross Revenues	% Change Over Previous Year	# of Restaurants Above Average Gross Revenues	% of Restaurants Above Average Gross Revenues	Median Gross Revenues	Lowest Gross Revenues	Highest Gross Revenues
2019	722	\$2,179,984	-	334	46.3%	\$2,117,443	\$497,882	\$4,324,891
2020	725	\$2,256,060	3.5%	357	49.2%	\$2,237,850	\$630,400	\$4,284,533
2021	727	\$2,544,354	12.8%	344	47.3%	\$2,497,295	\$839,494	\$5,331,733

**Notes to Table 3:**

1. Our 2019 fiscal year began on December 31, 2018 and ended on December 29, 2019. Our 2020 fiscal year began on December 30, 2019 and ended on December 27, 2020. Our 2021 fiscal year began on December 28, 2020 and ended on December 26, 2021.
2. The 2019 and 2020 data includes the financial performance of Franchised Restaurants that were open and operated for all 52 weeks of the applicable fiscal year. The 2021 data includes the financial performance of Franchised Restaurants that were open and operated for at least 51 of the 52 weeks of Fiscal Year 2021.

**Additional Information Regarding Item 19**

1. Some Restaurants have sold or earned this amount. Your individual results may differ. There is no assurance that you'll sell or earn as much.
2. This Item 19 was prepared utilizing data we received in the periodic sales reports provided to us by our franchisees and through daily polling of Point of Sale (POS) data. We have not independently verified any of the data provided to us, but our franchisees pay our franchising fees based on such reports. Additionally, we cannot verify that the information we receive from our franchisees is prepared uniformly or that our franchisees properly allocate costs to a particular category.
3. You are urged to make your own independent investigation and evaluation of the potential performance of your Restaurant and to consult with appropriate financial, business, and legal advisors in connection with the information provided. If you have specific questions regarding any Restaurant you may contact any of the franchisees listed in ***Exhibit D-1***.
4. Written substantiation for the financial performance representation will be made available to the prospective franchisee 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 report it to the franchisor's management by contacting our General Counsel, Brenda Trickey, 1040 Founder's

Boulevard, Suite 100, Athens, Georgia 30606, (706) 353-8107, the Federal Trade Commission, and the appropriate state regulatory agencies.