

## SPECIAL RISKS TO CONSIDER ABOUT *THIS* FRANCHISE

Certain states require that the following risk(s) be highlighted:

**Out-of-State Dispute Resolution.** The franchise agreement requires you to resolve disputes with us by mediation and litigation in Florida. Out of state mediation and litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate and litigate in Florida than in your own state.

**Spousal Liability.** Your spouse must sign a document that makes your spouse liable for all financial obligations under the franchise agreement even though your spouse has no ownership interest in the franchise. This guarantee will place both your and your spouse's marital and personal assets, perhaps including your house, at risk if your franchise fails.

**Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your business.

**Turnover Rate.** [During the last 3 years, a large number of franchised outlets \(28\), which is a high percentage of franchised outlets \(more than 29.78%\) were terminated, re-acquired, or ceased operations for other reasons. This franchise could be a higher risk investment than a franchise in a system with a lower turnover rate.](#)

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) in [Exhibit G](#) to see whether your state requires other risks to be highlighted.

	Obligation	Section in Franchise Agreement	Section in Development Agreement	Disclosure Document Item
w.	Non-competition covenants	19	11.7	17
x.	Dispute resolution	27	11.14	17
y.	Taxes/permits	4.2.2.1, 5.4, 8.7, and 20	11.8	Not applicable
z.	Other: Personal Guarantee	Ex. B	Not applicable	15

**ITEM 10 FINANCING**

We do not offer, either directly or indirectly, any financing arrangements to you. We do not guarantee your notes, leases or other obligations.

**ITEM 11 FRANCHISOR’S ASSISTANCE, ADVERTISING, COMPUTER SYSTEMS AND TRAINING**

**Except as listed below, we are not required to provide you with any assistance.**

Pre-Opening Assistance:

Before your open your Franchised Business, we will:

1. Provide services in connection with your site, including:
  - Site selection guidelines, counseling, and assistance as we deem advisable (see Franchise Agreement, Section 1.2);
  - One on-site evaluation without a separate charge upon receipt of a completed site selection package submission (see Franchise Agreement, Site Selection Addendum Section 2);
  - Written notice of approval or disapproval of the proposed site within 30 days of receiving your site selection package submission ~~(see Franchise Agreement, Section 1.2, which will include confirming the site meets our minimum standards for a location of the Franchised Business (see Franchise Agreement, Section 1.2) (Failure to come to an agreement between us and you regarding a site will result in termination of the franchise agreement, and the initial franchise fee will be forfeited);~~ and
  - Review of lease, sublease, design plans, and renovation plans for the Restaurant (see Franchise Agreement, Section 5);
2. Make available our standard layout, design and image specifications for a Restaurant, including:

Franchise Agreement, then you will have to pay us a discounted training fee (our then-current daily training rate) for each such person to be trained, with full payment due before training starts.

We may require that you and your Operating Principal and General Manager attend refresher courses, seminars, and other training programs that we may reasonably require periodically. We may further require you to enroll each of your employees in web-based training programs relating to the Products and Services that will be offered to customers of the Restaurant.

We will bear the cost of providing the instruction and required materials, except for additional and replacement training. You are responsible for making arrangements and paying all of the expenses, wages, and compensation for your staff that attends the training program.

## **ITEM 12**

## **TERRITORY**

### Franchise Agreement

Under the Franchise Agreement, you have the right to establish and operate one Restaurant at a specific location that we have accepted ("**Accepted Location**"). You will not receive an exclusive territory. You may face competition from other franchisees, from outlets that we own, from other channels of distribution or competitive brands that we control.

However, during the term of the Franchise Agreement, so long as you remain in compliance with the terms of the Franchise Agreement, we will not establish nor license anyone else to establish, another "BurgerFi" Restaurant at any location within the "**Protected Area**" that is designated in your Franchise Agreement. [There is no minimum to the size of the Protected Area.](#) We (and our affiliates) retain all other rights. Accordingly, we will have the right (among other things), on the conditions that we deem advisable, and without granting you any rights [or providing you any compensation](#), to do any or all of the following:

- We have the right to establish, and franchise others to establish, Restaurants anywhere outside the Protected Area;
- We have the right to establish, and license others to establish, businesses that do not operate under the System and that do not use the Proprietary Marks licensed under the Franchise Agreement, even if those businesses offer or sell products and services that are the same as or similar to those offered from the Franchised Business, no matter where those businesses are located;
- We have the right to establish, and license others to establish, Restaurants at any Non-Traditional Facility or Captive Market Location (as defined below), whether outside or inside the Protected Area;
- We have the right to operate (and license other parties to operate) remote, dark, ghost, and all other kinds of off-premises kitchens anywhere;
- We have the right to conduct and/or authorize catering and delivery service anywhere (except as explained below);

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 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.

The following information is provided for the purpose of helping you evaluate the potential earnings capability of a BurgerFi Restaurant unit franchise. Please carefully read all information in this Item 19, including the notes following the table, which explain the information and the limitations on the information contained in this Item 19.

**Table A: Annual Gross Sales Franchise Information 2024**

As of December 31, 2024, there were 66 BurgerFi Restaurant unit franchises in operation, all of which were franchised outlets. The Gross Sales information in Table A below is based on Gross Sales for the calendar year 2024 for only the 55 of ~~these~~ the 66 franchised outlets that were open and had been operating for a full calendar year at the end of 2024.

Description	2024 Average Annual Gross Sales	2024 Median Annual Gross Sales
All 55 Restaurants <i>27 of the 55 (49%) met or exceeded the average</i>	\$1,258,412.18	\$1,241,070.54
Top 25% <i>3 of 14 (21%) met or exceeded the average</i>	\$1,859,598.62	\$ 1,795,680.99
Top 50% <i>4 of 8 (50%) met or exceeded the average</i>	\$1,641,091.09	\$1,586,350.69
Bottom 25% <i>7 of 14 (50%) met or exceeded the average</i>	\$648,494.11	\$647,310.28
Bottom 50% <i>13 of 28 (46%) met or exceeded the average</i>	\$889,400.38	\$907,464.97

Of the 55 Restaurants represented in Table A above, the highest annual gross sales Restaurant for 2024 was \$1,859,598.62 and the lowest annual gross sales Restaurant for 2024 was \$648,494.11.

advertising payments; interest or finance charges if you finance some or all of the cost of the franchise; depreciation on property and equipment; accounting and legal fees and general administrative expenses; any pre-opening or amortization of organization costs; costs associated with regulatory compliance; and management costs. We strongly encourage you to consult with your financial advisors in reviewing the information in this Item 19, in particular, in estimating the categories and amount of expenses you will incur in establishing and operating a BurgerFi Restaurant franchise.

4. You should be aware that the financial performance of any particular BurgerFi Restaurant franchise might be affected by a number of factors that may vary due to the individual characteristics of the BurgerFi Restaurant franchise. These factors include, but are not limited to: competition from other franchises; appreciation and acceptance of the products and services offered by your franchise in the community in which your franchise is located; your experience; the quality and effectiveness of your managerial skills; and your decisions with respect to location, additional advertising programs, personnel and cost controls; geographic and socioeconomic conditions in your locality; business cycles; and the performance of the local, national and world economy.
5. Written substantiation for the financial performance representation will be made available to the prospective franchisee on reasonable request.

~~6. Written substantiation for the financial performance representations appearing above will be made available to prospective franchisees and developers upon reasonable request.~~

~~7.6.~~ **Some Restaurants have earned these amounts. Your individual results may differ. There is no assurance you will earn 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 Legal Department in writing, at BurgerFi Franchise LLC, 30955 Northwestern Hwy., Suite 300, Farmington Hills, Michigan 48334, the Federal Trade Commission, and the appropriate state regulatory agencies.

Franchise Agreement during the most recently completed fiscal year or who has not communicated with us within ten weeks of the issuance date of this disclosure document will be listed on Exhibit E to this disclosure document.

If you buy this franchise, your contact information may be disclosed to other buyers when you leave the franchise system. During the last three fiscal years, no franchisees have signed confidentiality provisions that would restrict their ability to speak openly about their experience with BurgerFi System. There are no trademark-specific organizations formed by our franchisees that are associated with BurgerFi System.

**ITEM 21** **FINANCIAL STATEMENTS**

Attached as Exhibit A-1 to this disclosure document is our audited opening balance sheet as of January 31, 2025. Our fiscal years end on December 31, 2024. Our unaudited stub period balance sheet as of May 31, 2025 is attached as Exhibit A-2.

[The franchisor has not been in business for three year or more and cannot include all the financial statements required by the FTC Franchise Rule for its last three fiscal years.](#)

**ITEM 22** **CONTRACTS**

Attached as exhibits to this disclosure document are the following contracts and their attachments:

Exhibit B	Franchise Agreement
Exhibit C	Development Agreement
Exhibit I	Form of General Release

**ITEM 23** **RECEIPTS**

Attached as Exhibit L are two copies of an acknowledgment of receipt of this Disclosure Document (the last two pages of this Disclosure Document). Please sign and date one copy of the receipt and send that back to us, and keep the other copy with this FDD for your records.