

particular circumstances.

This Item sets forth certain historical revenue and expense information for 83 of the Costa Vida Restaurants in operation in the U.S. for the entire twelve months of 2024. **The information related to these 83 U.S. franchise locations is based on monthly profit and loss statements provided to us by our franchisees and has not been audited or otherwise verified by us.**

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

Other than the information set forth below, Costa Vida does not furnish or authorize its employees or Affiliates to furnish spoken or written claims regarding financial performance, earnings, revenues or results that you are likely to obtain. Costa Vida specifically instructs its employees and Affiliates that they are not permitted to make any such claims, other than the information set forth below, and you may not rely on any such claims if made.

Written substantiation of the data presented in this financial performance representation will be made available to you upon reasonable request.

~~Additionally, a caution regarding the financial performance information below appears at the end of the Table. It is critical that you read and understand this caution.~~

**Table 1: Fiscal Year 2024 Financial Performance**

The following table represents average 2024 financial performance for 83 Restaurants that operated in the United States for the entire year ending December 31, 2024. While there were 93 Costa Vida restaurants operating as of December 31, 2024, 10 Restaurants have not been included because they (i) did not operate in the United States,

(ii) did not operate or did not have complete information for the entire year ending December 31, 2024, or (iii) are non-traditional restaurants. The data in Table 1 and Table 2 is grouped into three rows for the top 20, middle 43, and bottom 20 locations based on average sales performance. Data in Table 3 shows the amount of the highest and lowest Net Sales figures for any Costa Vida location, as well as the average across all locations.

**Table 1**

Averages	Average Unit Volume (AUV)	EBITDAR	COGS (% of AUV)	Repairs & Maintenance (% of AUV)	Labor (% of AUV)	Supplies (% of AUV)	Utilities (% of AUV)	EBIDTAR (% of AUV)
Top 20	\$3,214,709	\$680,955	29.6%	0.9%	23.4%	1.7%	1.6%	21.2%
Middle 43	\$2,064,961	\$372,814	29.3%	1.4%	24.5%	2.1%	2.1%	18.1%
Bottom 20	\$1,304,068	\$103,626	29.0%	1.9%	28.8%	2.7%	3.1%	7.9%

**Table 2**

	COGS and Salaries Combined (% of AUV)
Top 20	53.0%
Middle 43	53.8%
Bottom 20	57.8%

**Table 3**

	<b>Net Sales</b>
Highest	\$4,578,933
Average	\$2,158,661
Lowest	\$763,056
Median	\$2,016,503

### **Explanatory Notes to Tables 1, 2 and 3**

- (1) All percentages given are a percentage of the AUV.
- (2) Variations in the sales levels of restaurants may occur due to the traffic where the restaurants are located, the populations and income of the immediate market area, the retail maturity in the area, the amount of competition in the area and numerous other factors.
- (3) AUV is the average annual restaurant sales for the applicable stores in each category. AUV include sales of all food, beverages, promotional items, net of sales taxes, discounts and coupons.
- (4) COGS include all beverages, food, paper and distribution costs less supplier rebates.
- (5) Labor includes wages paid to all hourly and management employees working in the restaurant. Your labor costs could vary depending on the prevailing wage rates in the area of the country in which a restaurant is located and the specific labor laws.
- (6) Repair & Maintenance costs include the cost of repair and maintenance of your facility and equipment.
- (7) Supplies costs include costs for operational supplies (including small wares and janitorial supplies) and uniforms.
- (8) Utilities includes costs for telephone, water, gas and electricity for the restaurant.
- (9) Restaurant EBITDAR equals Restaurant-level earnings before interest, income taxes, depreciation, amortization, and rent.
- (10) No amounts have been included for expenses a franchisee will likely incur for utilities, owners' salaries, interest and debt service, legal fees and income taxes. ~~You will likely have such expenses, and to the extent a franchisee expects to incur such expenses, the franchisee's overall expenses will be higher than those reflected in the table.~~

### **CAUTION**

Other than the preceding financial performance representation, Costa Vida, does 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 Sean Collins, 1333 S. Valley Grove Way, Suite 500, Pleasant Grove, UT 84042, (801) 797-2374, the Federal Trade Commission, and the appropriate state regulatory agencies.

State of Michigan  
Department of Attorney General  
Consumer Protection Division  
Attn: Franchise 670 Law  
Building  
Lansing, Michigan 48913 Telephone Number: (517) 373-7117

**THE MICHIGAN SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MICHIGAN OR WHO LOCATE THEIR FRANCHISES IN MICHIGAN.**

**MINNESOTA**

If required by law, the Disclosure Document, Franchise Agreement, and Area Development Agreement are modified as follows:

Any release signed in connection with the Franchise Agreement shall not apply to any claims arising under Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22, providing that a franchisee cannot be required to assent to a release, assignment, or waiver that would relieve any person from liability imposed by such statutes; provided, however that this shall not bar the voluntary settlement of disputes.

With respect to the franchises governed by Minnesota law, we will comply with Minnesota Statutes Sec. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specific cases, that we give you 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the franchise agreement. If Franchisor fails to give notice, the Franchise Agreement shall remain in effect from month to month until Franchisor has given the required notice.

Minnesota Statutes Sec. 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Disclosure Document or Franchise Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to a jury trial or any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Rule 2860.4400J also prohibits us from asking you to consent to the Franchisor obtaining injunctive relief. We may merely seek injunctive relief. Also, it is up to a court to determine if a bond is required.

Provided that you are in compliance with the terms and conditions of the Franchise Agreement, we will comply with Minnesota Statutes Sec. 80C.12, Subd.1(g) which requires that the franchisor protect the franchisee's right to use the trademarks, service marks, tradenames, logotypes or other commercial symbols and/or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

We will also comply with the requirements of Minnesota Statutes Sec. 80C.17, Subd. 5, which requires that any action commenced under Section 80C.17 be commenced within 3 years after the cause of action accrues.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor,

franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

**THE MINNESOTA SECTION OF THIS ADDENDUM APPLIES ONLY TO FRANCHISEES WHO ARE RESIDENTS OF MINNESOTA OR WHO LOCATE THEIR FRANCHISES IN MINNESOTA.**

**NEW YORK**

The cover page of the Disclosure Document will be supplemented with the following, inserted at the bottom of the cover page:

**REGISTRATION OF THIS FRANCHISE BY NEW YORK STATE DOES NOT MEAN THAT THE STATE RECOMMENDS IT OR HAS VERIFIED THE INFORMATION IN THIS DISCLOSURE DOCUMENT. IF YOU LEARN THAT ANYTHING IN THIS DISCLOSURE DOCUMENT IS UNTRUE, CONTACT THE FEDERAL TRADE COMMISSION AND THE NEW YORK STATE DEPARTMENT OF LAW, 120 BROADWAY, NEW YORK, NEW YORK 10271-0332. INFORMATION COMPARING FRANCHISORS IS AVAILABLE. CALL THE STATE ADMINISTRATORS LISTED IN EXHIBIT A OR YOUR PUBLIC LIBRARY FOR SOURCES OF INFORMATION.**

**WE MAY, IF WE CHOOSE, NEGOTIATE WITH YOU ABOUT ITEMS COVERED IN THE PROSPECTUS. HOWEVER, WE CANNOT USE THE NEGOTIATING PROCESS TO PREVAIL UPON YOU TO ACCEPT TERMS WHICH ARE LESS FAVORABLE THAN THOSE SET FORTH IN THIS PROSPECTUS.**

As a supplement to the information disclosed in this Disclosure Document, the following additional paragraphs are added:

1. Except as disclosed in Item 3 of the Disclosure Document, neither we, our predecessors, Affiliates or any person identified in Item 2 of this Disclosure Document:

A. Has any administrative, criminal or material civil action (or a significant number of civil actions irrespective of materiality) pending against it or him alleging a violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

B. Has been convicted of a felony or pleaded nolo contendere to a felony charge or within the ten year period immediately preceding the application for registration, been convicted of a misdemeanor or pleaded nolo contendere to a misdemeanor charge or been held liable in a civil action by final judgment or been the subject of a material complaint or other legal proceeding if such misdemeanor conviction or charge or civil action, complaint or other legal proceeding involved violation of any franchise law, securities law, fraud, embezzlement, fraudulent conversion, restraint of trade, unfair or deceptive practices, misappropriation of property or comparable allegations.

C. Is subject to any currently effective injunctive or restrictive order or decree relating to franchises or under any federal, state, or Canadian franchise, securities, antitrust, trade regulation, trade practice law, or any national securities association or national securities exchange (as defined in the Securities and Exchange Act of 1934) suspending or expelling this person from membership in this association or exchange as a result of a concluded or pending action or proceeding brought by a public agency.

**ESCROW REQUIREMENTS (IF ANY):** \_\_\_\_\_

Any questions regarding this notice should be directed to:

State of Michigan  
Department of Attorney General  
Consumer Protection Division  
Attn: Franchise 670 Law Building  
Lansing, Michigan 48913 Telephone Number: (517) 373-7117

**THE MICHIGAN SECTION OF THIS ADDENDUM APPLIES ONLY TO AREA DEVELOPERS WHO ARE RESIDENTS OF MICHIGAN OR WHO LOCATE THEIR FRANCHISES IN MICHIGAN.**

**MINNESOTA**

If required by law, the Area Development Agreement is modified as follows:

Any release signed in connection with the Area Development Agreement shall not apply to any claims arising under Minnesota Statutes 1973 Supplement, Sections 80C.01 to 80C.22, providing that an area developer cannot be required to assent to a release, assignment, or waiver that would relieve any person from liability imposed by such statutes; provided, however that this shall not bar the voluntary settlement of disputes.

With respect to the franchises governed by Minnesota law, we will comply with Minnesota Statutes Sec. 80C.14, subdivisions 3, 4 and 5 which require, except in certain specific cases, that we give you 90 days notice of termination (with 60 days to cure) and 180 days notice for non-renewal of the Area Development Agreement. If Franchisor fails to give notice, the Area Development Agreement shall remain in effect from month to month until Franchisor has given the required notice.

Minnesota Statutes Sec. 80C.21 and Minnesota Rule 2860.4400J prohibit us from requiring litigation to be conducted outside Minnesota. In addition, nothing in the Area Development Agreement can abrogate or reduce any of your rights as provided for in Minnesota Statutes, Chapter 80C, or your rights to a jury trial or any procedure, forum, or remedies provided for by the laws of the jurisdiction.

Minnesota Rule 2860.4400J also prohibits us from asking you to consent to the Franchisor obtaining injunctive relief. We may merely seek injunctive relief. Also, it is up to a court to determine if a bond is required.

Provided that you are in compliance with the terms and conditions of the Area Development Agreement, we will comply with Minnesota Statutes Sec. 80C.12, Subd.1(g) which requires that the franchisor protect the area developer's right to use the trademarks, service marks, tradenames, logotypes or other commercial symbols and/or indemnify the franchisee from any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

We will also comply with the requirements of Minnesota Statutes Sec. 80C.17, Subd. 5, which requires that any action commenced under Section 80C.17 be commenced within 3 years after the cause of action accrues.

[No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of \(i\) waiving any claims under any applicable state franchise law,](#)

Exhibit E - State-Specific Addenda

including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

**THE MINNESOTA SECTION OF THIS ADDENDUM APPLIES ONLY TO AREA DEVELOPERS WHO ARE RESIDENTS OF MINNESOTA OR WHO LOCATE THEIR FRANCHISES IN MINNESOTA.**

### **NORTH DAKOTA**

Sections of the Disclosure Document and Area Development Agreement providing for resolution of disputes to be outside North Dakota may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Disclosure Document and Area Development Agreement relating to choice of law, may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Disclosure Document and Area Development Agreement requiring you to sign a general release upon renewal of the Area Development Agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Disclosure Document and Area Development Agreement stipulating that you shall pay all costs and expenses incurred by us in enforcing the Area Development Agreement may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended accordingly if required by law.

Sections of the Area Development Agreement requiring you to consent to a waiver of trial by jury may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended if required by law.

Sections of the Area Development Agreement requiring you to consent to a waiver of exemplary and punitive damages may not be enforceable under Section 51-19-09 of the North Dakota Franchise Investment Law, and are amended if required by law.

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### **RHODE ISLAND**

§ 19-28.1-14 of the Rhode Island Franchise Investment Act provides that “A provision in a franchise agreement restricting jurisdiction or venue to a forum outside this state or requiring the application of the laws of another state is void with respect to a claim otherwise enforceable under this Act.” The Area Development Agreement is amended accordingly if required by law.

**THE RHODE ISLAND SECTION OF THIS ADDENDUM APPLIES ONLY TO AREA DEVELOPERS WHO ARE RESIDENTS OF RHODE ISLAND OR WHO LOCATE THEIR FRANCHISES IN RHODE ISLAND.**

### **VIRGINIA**

Pursuant to § 13.1-564 of the Virginia Retail Franchising Act, it is unlawful for a franchisor to use undue influence to induce a franchisee to surrender any right given to him under the franchise. If any

any loss, costs or expenses arising out of any claim, suit or demand regarding the use of the name.

We will also comply with the requirements of Minnesota Statutes Sec. 80C.17, Subd. 5, which requires that any action commenced under Section 80C.17 be commenced within 3 years after the cause of action accrues.

No statement, questionnaire, or acknowledgement signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including, fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed with the franchise.

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