

PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
q. Non-competition covenants during the term of the franchise	Section VIII	No involvement in the United States in competing business, which is a retail food establishment offering custard style products for sale or in which ice cream, yogurt, ground beef or hot dog sandwiches constitutes more than 10% of its food revenues.
r. Non-competition covenants after the franchise is terminated or expires	Section VIII	No competing business for 2 years after any transfer or termination of the Development Agreement within your Assigned Area, the then-current Designated Market Area or Areas (DMA) in which your Assigned Area is located, or the DMA of any other Freddy's Restaurant then existing.
s. Modification of the agreement	Section XIV	No modifications unless in writing signed by you and one of our authorized officers.
t. Integration/ merger clause	Section XIV	Only the terms of the Development Agreement are binding. Nothing in the Development Agreement is intended to disclaim any representation contained in this Disclosure Document.
u. Dispute resolution by arbitration or mediation	Section XV	All disputes (including disputes with your officers, directors, partners, members, managers and owners) must be mediated and then arbitrated in Wichita, Kansas. The mediation and arbitration proceedings are governed by rules of the American Arbitration Association.
v. Choice of forum	Section XV.E	Litigation in City of Wichita, Sedgwick County, Kansas (subject to state law).
w. Choice of law	Section XV.D	Kansas law applies (subject to state law).

ITEM 18

PUBLIC FIGURES

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.

2024 Gross Receipts of Company-Owned and Franchised Restaurants

As of December 25, 2024, there were 36 company-owned Restaurants and 514 franchised Restaurants. Tables 1 through 5 below display the Gross Receipts of 33 company-owned Restaurants that were open for the entire fiscal year that ended December 25, 2024 (“2024 Fiscal Year”) and 463 franchised Restaurants that were open for the entire 2024 Fiscal Year. These tables exclude the results of two company-owned Restaurants and 34 franchised Restaurants that were not open for the entire 2024 Fiscal Year (32 new Restaurant openings and two temporarily closed Restaurants due to a fire) and 18 non-traditional Restaurants (one company-owned and 17 franchised) that are not open seven days per week and operate during limited hours (these include five units located at college campuses, two in casinos, three at an airport, and eight in a sports arena).

TABLE 1 WEEKLY GROSS RECEIPTS OF COMPANY-OWNED RESTAURANTS FOR 2024 FISCAL YEAR BY FACILITY TYPE				
Type of Restaurant	Stand Alone Drive-thru	End Cap Drive-thru	No Drive-thru	All Restaurants
Number of Restaurants	27	2	4	33
Average Weekly Gross Receipts	\$43,643	\$64,294	\$42,267	\$44,728
No. and % of Restaurants that Met or Exceeded the Average	13 (48%)	1 (50%)	2 (50%)	15 (45%)
Median Weekly Gross Receipts	\$42,070	\$64,294	\$39,439	\$42,771
Range of Weekly Gross Receipts	\$27,848 - \$72,319	\$61,602 - \$66,986	\$31,571 - \$58,619	\$27,848 - \$72,319

TABLE 2 ANNUAL GROSS RECEIPTS OF COMPANY-OWNED RESTAURANTS FOR 2024 FISCAL YEAR BY FACILITY TYPE				
Type of Restaurant	Stand Alone Drive-thru	End Cap Drive-thru	No Drive-thru	All Restaurants
Number of Restaurants	27	2	4	33
Average Annual Gross Receipts	\$2,269,426	\$3,343,276	\$2,219,784	\$2,325,836
No. and % of Restaurants that Met or Exceeded the Average	13 (48%)	1 (50%)	2 (50%)	15 (45%)
Median Annual Gross Receipts	\$2,187,642	\$3,343,276	\$2,050,832	\$2,224,066
Range of Annual Gross Receipts	\$1,448,094 - \$3,760,611	\$3,203,208 - \$3,483,273	\$1,641,687 - \$3,048,185	\$1,448,094 - \$3,760,611

TABLE 3
WEEKLY GROSS RECEIPTS OF FRANCHISED RESTAURANTS
FOR 2024 FISCAL YEAR BY FACILITY TYPE

Type of Restaurant	Stand Alone Drive-thru	End Cap Drive-thru	No Drive-thru	All Restaurants
Number of Restaurants	423	38	2	463
Average Weekly Gross Receipts	\$35,997	\$33,711	\$27,379	\$35,772
No. and % of Restaurants that Met or Exceeded the Average	204 (48%)	17 (45%)	1 (50%)	219 (47%)
Median Weekly Gross Receipts	\$35,445	\$32,730	\$27,379	35,271
Range of Weekly Gross Receipts	\$14,726 - \$82,551	\$16,216 - \$48,657	\$25,056 - \$29,702	\$14,726 - \$82,551

TABLE 4
ANNUAL GROSS RECEIPTS OF FRANCHISED RESTAURANTS
FOR 2024 FISCAL YEAR BY FACILITY TYPE

Type of Restaurant	Stand Alone Drive-thru	End Cap Drive-thru	No Drive-thru	All Restaurants
Number of Restaurants	423	38	2	463
Average Annual Gross Receipts	\$1,871,830	\$1,752,985	\$1,423,713	\$1,860,140
No. and % of Restaurants that Met or Exceeded the Average	204 (48%)	17 (45%)	1 (50%)	219 (47%)
Median Annual Gross Receipts	\$1,843,147	\$1,701,954	\$1,423,713	\$1,834,089
Range of Annual Gross Receipts	\$765,761 - \$4,292,651	\$843,216 - \$2,530,150	\$1,302,901 - \$1,544,526	\$765,761 - \$4,292,651

TABLE 5
SYSTEMWIDE ANNUAL GROSS RECEIPTS OF
COMPANY-OWNED AND FRANCHISED RESTAURANTS FOR 2024 FISCAL YEAR

Number of Restaurants	496
Average Annual Gross Receipts	\$1,891,124
Median Annual Gross Receipts	\$1,852,541
Range of Annual Gross Receipts	\$765,761 - \$4,292,651
No. and % of Restaurants that Met or Exceeded the Average	236 (48%)

TABLE 6
SYSTEMWIDE ANNUAL GROSS RECEIPTS OF
COMPANY-OWNED AND FRANCHISED RESTAURANTS
FOR 2024 FISCAL YEAR BY QUARTILE

Quartile	No. of Rests.	Average	Low	High	Median	No. and % That Met or Exceeded Average
Top	124	\$2,606,743	\$2,235,555	\$4,292,651	\$2,522,835	48 / 39%
2nd	124	\$2,036,267	\$1,854,078	\$2,233,838	\$2,021,193	60 / 48%
3rd	124	\$1,681,701	\$1,495,246	\$1,851,004	\$1,684,015	63 / 51%
Bottom	125	\$1,239,789	\$765,761	\$1,494,488	\$1,278,037	74 / 60%
Total	496	\$1,891,124	\$765,761	\$4,292,651	\$1,852,541	236 / 48%

TABLE 7
SYSTEMWIDE ANNUAL GROSS RECEIPTS OF
FRANCHISED RESTAURANTS
FOR 2024 FISCAL YEAR BY QUARTILE

Quartile	No. of Rests.	Average	Low	High	Median	No. and % That Met or Exceeded Average
Top	116	\$2,557,640	\$2,209,799	\$4,292,651	\$2,496,416	46 / 40%
2nd	116	\$2,003,924	\$1,834,089	\$2,208,198	\$1,989,553	54 / 47%
3rd	116	\$1,652,693	\$1,473,597	\$1,828,536	\$1,665,300	60 / 52%
Bottom	115	\$1,220,793	\$765,761	\$1,471,054	\$1,263,385	67 / 58%
Total	463	\$1,860,140	\$765,761	\$4,292,651	\$1,834,089	219 / 47%

TABLE 8
SYSTEMWIDE ANNUAL GROSS RECEIPTS OF
COMPANY-OWNED RESTAURANTS
FOR 2024 FISCAL YEAR BY QUARTILE

Quartile	No. of Rest.	Average	Low	High	Median	No. and % That Met or Exceeded Average
Top	8	\$3,080,229	\$2,697,184	\$3,760,611	\$2,995,542	3 / 38%
2nd	8	\$2,456,978	\$2,313,084	\$2,667,898	\$2,415,647	3 / 38%
3rd	8	\$2,122,261	\$2,007,775	\$2,224,066	\$2,143,749	5 / 63%
Bottom	9	\$1,719,649	\$1,448,094	\$1,877,597	\$1,714,315	4 / 44%
Total	33	\$2,325,836	\$1,448,094	\$3,760,611	\$2,224,066	15 / 45%

2024 Cost of Sales, Labor and Controllable Expenses of Company-Owned Restaurants

As of December 25, 2024, there were 36 company-owned Restaurants. Table No. 9 below depicts the Costs of Sales, Labor, and Controllable Expenses for 33 company-owned Restaurants that were open during the entire Fiscal Year 2024 as percentages of total Gross Receipts for Fiscal Year 2024. Table 9 excludes the results of three company-owned Restaurant that were not open for the entire 2024 Fiscal Year.

TABLE 9	
COST OF SALES, LABOR AND CONTROLLABLE EXPENSES OF COMPANY-OWNED RESTAURANTS FOR FISCAL YEAR 2024	
Category	Percentage of Gross Receipts
Cost of Sales	32.0%
Labor with Benefits	31.4%
Controllable Expenses	9.7%

Item 19 Notes:

1. “Weekly Gross Receipts” means all gross revenue during each week of each 28-day operating period of every kind or nature related to the Restaurant, including all restaurant revenue posted whether it is collected or remains uncollected, all charges for other products, services, and facilities and vending machine receipts, and any amounts payable from insurance policies to compensate you for loss of the same, but excluding sales taxes or other taxes collected by you from customers for transmittal to appropriate taxing authorities. Weekly Gross Receipts do not include loyalty points earned or redeemed at Restaurant locations.
2. We compiled the Gross Receipts of the company-owned Restaurants on the basis of generally accepted accounting principles. The information presented is unaudited. All company-owned Restaurants use the same accounting methods and system.
3. The information presented for franchised Restaurants are the result of information included in royalty reports and other financial reports provided by the franchisees. We have not audited this information nor have we verified its accuracy.
4. The quartiles for Table Nos. 6, 7, and 8 were calculated by dividing the group of restaurants into four equal groups.
5. “Costs of Sales” includes all costs associated with food, beverage, and disposable paper and plastic, but does not include costs, including rental payments, associated with equipment, fixtures, or décor.
6. “Labor with Benefits” includes all salaries and wages paid to employees, payroll taxes, and short-term management performance incentive pay, and includes 100% employer paid health insurance, 401K with employer match, employer paid health savings account contribution, and any other employee benefits. Labor expenses do not include phantom stock bonuses, owners’ draws or management expenses not directly attributable to a restaurant such as area manager’s salary. We believe our robust benefit package, and management short-term and performance incentive pay plans reduce turnover and are integral to the operations of our restaurants.
7. “Controllable Expenses” includes maintenance, supplies, utilities, uniforms, bank and credit card fees, equipment rental, and other miscellaneous expenses. It does not include items such as fixed

costs, advertising, licenses, insurance, or taxes, nor does it include rent, other real estate costs, depreciation or amortization.

8. Because the company-owned Restaurants in Table No. 9 are not franchised Restaurants, they are not subject to royalty fees.
9. Based on our experience, the company-owned Restaurants experience seasonal fluctuations, with greater sales occurring during the months of April through October and lesser sales occurring during the months of November through March.
10. The information provided is based on a number of conditions and assumptions that may not be applicable to you. For example, each of the company-owned Restaurants for which information is provided is located in the Midwest. The costs of labor, including the pay scale, bonus plans, and other benefits you choose to provide your employees or that may be mandated by local law for the market in which your Restaurant would be located may or may not be comparable to these restaurants. Costs of inventory and supplies may or may not be comparable to those obtainable in the Midwest.
11. The information provided does not include certain non-recurring, opening, and pre-opening costs such as grand opening advertising; initial employee training; real estate acquisition costs/rent; real estate or leasehold improvements; computer and points of sale equipment and software; equipment, furniture, fixtures, and décor, signage and neon, opening inventory and supplies; insurance; utility deposits; licenses and business permits; other prepaid expenses; legal and other professional fees; and recruitment.
12. The financial performance representation figures do not reflect all of the costs or expenses that must be deducted from the Gross Receipts to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Restaurant. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of information.

Some Restaurants have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

We will provide you with written substantiation of the data used to prepare this financial performance representation upon your reasonable request.

Other than the preceding financial performance representation, Freddy's, L.L.C. 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 our management by contacting our Chief Financial Officer, Bill Valentas, at 3020 North Cypress Street, Suite 200, Wichita, Kansas 67226, 316-719-7800, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION TABLE NO. 1

SYSTEMWIDE OUTLET SUMMARY FOR YEARS 2022 TO 2024¹

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	391	427	+36
	2023	427	484	+57
	2024	484	514	+30
Company-Owned	2022	30	29	-1
	2023	29	33	+4
	2024	33	36	+3
Total Outlets	2022	421	456	+35
	2023	456	517	+61
	2024	517	550	+33

Notes:

1. All numbers are as of our fiscal year end for each year.

TABLE NO. 2 TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS (OTHER THAN THE FRANCHISOR) FOR YEARS 2022 TO 2024¹

State	Year	Number of Transfers
Arizona	2022	0
	2023	1
	2024	0
Arkansas	2022	0
	2023	0
	2024	2
Illinois	2022	1
	2023	0
	2024	0
Kansas	2022	1
	2023	0
	2024	0