

Provision	Section in Franchise Agreement	Summary
t. Integration/merger clause	Section 37	Only the terms of the Franchise Agreement are binding, subject to applicable state law. Representations and promises outside this Disclosure Document or the Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 32	You must arbitrate any dispute you may have with us, subject to applicable state law. See Exhibit G.
v. Choice of forum	Sections 31 and 32	Arbitration or litigation must take place in Tennessee, subject to applicable state law. See Exhibit G.
w. Choice of law	Sections 31 and 32	Tennessee law applies, subject to applicable state law. See Exhibit G.

For franchises subject to California law, please see the State Addenda for California attached as Exhibit G to this Disclosure Document.

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote the Captain D’s franchise.

ITEM 19 FINANCIAL PERFORMANCE REPRESENTATIONS

The Federal Trade Commission’s Franchise Rule permits us to provide information about the actual or potential financial performance of our franchised and/or company-owned restaurants, if a reasonable basis for the information exists and we include the information in this Disclosure Document. We may give financial performance information that differs from the information included in this Item 19 only if (1) we provide the actual records of an existing restaurant that you are buying or (2) we supplement the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

This Item 19 contains historical gross sales and expense information for certain franchised and company-owned Captain D’s restaurants.

Some restaurants have sold this amount. Your individual results may differ. There is no assurance you’ll sell as much.

The sales and expense information shown below reflects the operation of free-standing Captain D’s restaurants open continuously for the past fiscal year ended December 28, 2025, our “Comparable Restaurants.” Those restaurants feature various building prototypes used by Captain D’s throughout the years.

You should conduct an independent investigation of the costs and expenses that you will incur in operating your Captain D’s restaurant. Franchisees or former franchisees may serve as one source for that information.

Material Factors

You should consider the following material factors in reviewing and determining whether to rely on this data:

1. The information provided for our Comparable Sales Restaurants covers our fiscal year ended December 28, 2025 (December 29, 2024, through December 28, 2025).

2. We based the gross sales information for franchised restaurants included in our Comparable Restaurants on a total of 210 franchised restaurants in operation continuously during our fiscal year ended December 28, 2025, out of a total of 229 franchised restaurants. We based the gross sales and expenses for company-owned restaurants included in our Comparable Restaurants on a total of 281 company-owned restaurants in operation continuously during our fiscal year ended December 28, 2025, out of a total of 289 company-owned restaurants.

3. In selecting the Comparable Restaurants identified in Note 2, above, we excluded (a) four company-owned restaurants and 18 franchised restaurants not open for the full fiscal year, (b) three company-owned restaurants and one franchised restaurant temporarily closed for repairs, and (c) one company-owned non-traditional restaurant. We also excluded any international locations.

4. We based the gross sales amounts for our franchised restaurants on financial information provided to us by our franchisees with respect to their Captain D's restaurants. We do not audit the gross sales figures provided to us by our franchisees, but those gross sales represent amounts on which franchisees pay royalties to us. Therefore, we consider those amounts reliable. We based the gross sales and expense amounts for our company-owned Captain D's restaurants reported below on our financial statements.

5. For purposes of this Item 19, the term "gross sales" means the total revenues derived by a Captain D's restaurant from all sales of all services and merchandise made in, upon, or from the Captain D's restaurant, whether for cash, check, credit, barter, exchange, or otherwise, less (a) refunds, adjustments, or credits to customers; (b) sales taxes, excise taxes, or other taxes charged to customers in addition to the sales price of any food, beverages, or services; and (c) any unaffiliated third-party delivery fees charged to customers in addition to the sales price of any food, beverages, and services.

6. The expense information below relates only to Captain D's company-owned locations and does not include all expenses incurred by the Captain D's restaurants included. It specifically excludes occupancy expenses like rent, depreciation, and debt payments for land, buildings, and improvements. The amounts for labor include restaurant-level managers and employees and consist of salaries, wages (net of any job credits), vacation pay, sick pay, performance bonuses, and payroll taxes. Operating expenses include utilities, uniforms, laundry, maintenance and repair, property taxes, licenses, insurance, and other miscellaneous expenses.

7. The expense information also does not include expenses that you will or may incur as a franchisee of Captain D's but which our company-owned restaurants do not experience. Those expenses include the following items:

(a) Royalty Payments. Your royalty fees will equal 4.50% of your gross sales. See Item 6 of this Disclosure Document. Our company-owned restaurants do

not pay royalties and, therefore, the expense information below does not contain any amounts for royalty payments.

(b) Advertising and Local Restaurant Marketing Fees and Expenses. Advertising and local restaurant marketing fees and expenses may equal up to 4.5% of gross sales. That amount consists of an advertising fee of 1.0% of gross sales (which we may increase to a maximum of 2.0%), national marketing expenses and advertising cooperative contributions of 1.5% of gross sales and required local restaurant marketing expenditures of 2.0% of gross sales. See Item 6 of this Disclosure Document. During our fiscal year ended December 28, 2025, Captain D’s company-owned restaurants, on average, spent 3.1% of gross sales on advertising and local restaurant marketing fees and expenses. During our fiscal year ended December 28, 2025, the advertising fee was 1.0% of gross sales. We also increased the advertising cooperative marketing contribution to 1.0% of gross sales, except for restaurants located in certain Designated Market Areas listed Item 11, above. Restaurants located in those market areas participated in Captain D’s local television advertising program and paid an advertising marketing contribution of 1.5% of gross sales.

(c) Legal, Accounting, and Other Administrative Expenses. You will incur legal, accounting, and other administrative expenses in connection with the operation of your business as a Captain D’s franchisee. The expense information below does not contain any amounts for those types of expenditures.

8. You also may experience additional expenses in connection with the operation of your Captain D’s restaurant.

Total Comparable Restaurants for Fiscal Year Ended December 28, 2025

Number of Restaurants Operating One Year or More	491
Number of Franchised Restaurants	210
Number of Company-owned Restaurants	281

Franchised Comparable Restaurants for Fiscal Year Ended December 28, 2025

	<u>Top Third</u>	<u>Middle Third</u>	<u>Bottom Third</u>	<u>Total</u>
Average Gross Sales	\$1,524,798	\$1,024,694	\$698,105	\$1,082,533
Number of Restaurants	70	70	70	210
Highest Gross Sales	\$2,782,545	\$1,177,111	\$845,752	\$2,782,545
Lowest Gross Sales	\$1,179,140	\$848,474	\$172,390	\$172,390
Number Above Average	30	38	42	89
Number Below Average	40	32	28	121
Median Gross Sales	\$1,489,085	\$1,042,475	\$724,891	\$1,042,475

**Franchised and Company-owned Comparable Restaurants
for Fiscal Year Ended December 28, 2025**

For the fiscal year ended December 28, 2025, average gross sales for both franchised and company-owned Comparable Restaurants equaled \$1,041,323 and the median gross sales equaled \$1,004,715. As shown above, the annual gross sales for franchised Comparable Restaurants

averaged \$1,082,533 and the median gross sales equaled \$1,042,475. Annual gross sales for company-owned Comparable Restaurants averaged \$1,010,526. Of those 281 company-owned restaurants, 130 restaurants exceeded the average, and 151 restaurants had annual gross sales below the average. The median gross sales for the 281 company-owned restaurants equaled \$984,029.

The foregoing figures do not reflect the costs of sales, operating expenses, or other costs or expenses that you must deduct from the gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses that you will incur in operating your restaurant. Franchisees or former franchisees, listed in Exhibit J to this Franchise Disclosure Document, may serve as one source for that information.

Company-Owned Comparable Restaurants for Fiscal Year Ended December 28, 2025

The following table provides the gross sales and selected expenses for three categories of Captain D’s company-owned Comparable Restaurants based on the amount of annual gross sales experienced by the restaurants during the fiscal year ended December 28, 2025 (December 30, 2024, through December 28, 2025).

	Top Third		Middle Third		Bottom Third	
	\$	%	\$	%	\$	%
Sales Average	1,325,614	100.00%	977,176	100.00%	732,139	100.00%
Food	362,276	27.33%	272,087	27.84%	209,554	28.62%
Packaging	35,870	2.71%	26,690	2.73%	20,445	2.79%
Total Food & Packaging	398,147	30.03%	298,777	30.58%	229,999	31.41%
Labor, Benefits, & Related Expenses	311,448	23.49%	276,864	28.33%	255,325	34.87%
Total Food, Packaging, & Labor	709,595	53.53%	575,641	58.91%	485,324	66.29%
Operating Expenses*	189,148	14.27%	162,288	16.61%	154,089	21.05%
Advertising Expenses	40,403	3.05%	29,623	3.03%	22,934	3.13%
Proforma Restaurant Contribution Before Occupancy (EBITDAR)	386,468	29.15%	209,624	21.45%	69,793	9.53%
Sales Average	1,325,614		977,176		732,139	
Number of Restaurants	93		94		94	
Highest Gross Sales	2,281,710		1,086,607		841,980	
Lowest Gross Sales	1,087,481		844,228		511,758	
Number of Restaurants Above Average	32		50		53	
Number of Restaurants Below Average	61		44		41	
Sales Median	1,257,402		985,270		743,403	

* Captain D’s company-owned restaurants do not pay royalty fees (currently 4.5% of gross sales). Therefore, the amount for operating expenses shown above does not include those amounts. See “Material Factors,” above.

We will make written substantiation for the financial performance representations available to prospective franchisees upon reasonable request.

Other than the preceding financial performance representations, 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 restaurant, however, we may provide you with the actual records of that restaurant. If you receive any other financial performance information or projections of your future income, you should report it to our management by contacting Brad Reed, Chief

Development Officer, in writing at 624 Grassmere Park Drive, Suite 30, Nashville, Tennessee 37211, by telephone at (615) 231-2027, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For Fiscal Years 2023 through 2025

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2023	223	227	+4
	2024	227	237	+10
	2025	237	229	-8
Company-Owned	2023	312	313	+1
	2024	313	293	-20
	2025	293	289	-4
Total Outlets	2023	535	540	+5
	2024	540	530	-10
	2025	530	518	-12

Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than Franchisor)
For Fiscal Years 2023 through 2025

State	Year	Number of Transfers
Arkansas	2023	0
	2024	1
	2025	0
Colorado	2023	0
	2024	3
	2025	0
Georgia	2023	1
	2024	0
	2025	0
Kentucky	2023	0
	2024	1
	2025	0
Totals	2023	1
	2024	5
	2025	0