

Concluded Arbitration and Litigation Involving Papa Murphy's International, L.L.C.

DTD Pizza LLC, Brian Watson, Alton Spears, LMP Enterprises LLC, Pizza Enterprises LLC, Alan and Denise Barnett, DOB Enterprises, Inc., Douglas and Lesia Billing, Rob & Bud's Pizza, Robert J. Dickerson Trust UA, Rob Dickerson, 4LM Enterprises, Inc., Jana and Randell Liles, Ben and Kim Mayfield, SEAMS Holdings LLC, Scott and Erica Shelby, Robert Hoersting, PM Savannah LLC, James and Mona King, Hans King, Pizza For 4 Kings Corp, Alamo Quality Pizza I, LLC., Quality Pizza III, LLC., Gerardo Torres, George Knost, Arkel Food Services, LLC., Reece Alexander Overcash, III, Angelo S. Chantilis, Jr., Double AA Partners, LLC., Jeffrey L Comish, John Stalker, and Papa's of Tennessee, LLC. v. Papa Murphy's International LLC, Papa Murphy's Company Stores, Inc., PMI Holdings Inc., Papa Murphy's Intermediate Inc., Papa Murphy's Holdings, Inc., Lee Equity Partners LLC, John D. Barr, Ken Calwell, Thomas H. Lee, Yoo Jin Kim, Benjamin Hochberg, John D. Schafer, Achi Yaffe, Janet Pirus, Victoria Blackwell, Gail Lawson, Dan Harmon, Scott Mullen, Jayson Tipp, Kevin King, Stephen Maeker, Steve Millard, Steve Figiola; Washington Superior Court, Clark County, Case No. 14-2-00904-0.

and

Mitch and Kristen Brink, Brink Holdings Inc., Angela Buchannan, Tim Forester, Z-Axis, Inc., Heather and Gary Nychyk, Bar N Pizza, LLC, John DeMattia, DeMattia LLC, a Texas Limited Liability Company, Harry and Terry Olson, Hot Pizza Inc., Steven Pyatt, Craig Braun, David Mraz, JIM LLC, Philip and Maria Ahn Wilson, Papa South, LLC, Steven and Holly Mead, Thomas Lance, PMG Tampa, LLC, Ilya and Chantal Rubin, Pie in the Sky LLC, Joanna and Glenn Patcha, Alchemy Foods LLC, Ian Hasinoff and Susan Lorimer, Eddrachillis LLC, Cole Kilen, Eye on the Pie LLC, Ann and Harvey Callegan, Just for Fun, LLC, Eugene and Joy Hill, Conn, Edward Turnbull, Turnbull Restaurant Group LP, Turnbull Restaurant Group GP, Conn, LLC, Loralie and Trey Bennett, Pizza Revolution of Fort Walton Beach LLC, Pizza Revolution of Panama City LLC, Pizza Revolution at Tyndall LLC, Steven Terry, Matthew and Cindy Terry, Alice and Douglas Worthington, Thomas Stephenson, Make Dough Enterprises Inc., Jared Richardson, Russell Crader, and Red Rust, LLC, v. Papa Murphy's International LLC, Papa Murphy's Company Stores, Inc., PMI Holdings Inc., Papa Murphy's Intermediate Inc., Murphy's Holdings, Inc., Lee Equity Partners LLC, John D. Barr, Ken Calwell, Thomas H. Lee, , Yoo Jin Kim, Benjamin Hochberg, John D. Schafer, Achi Yaffe, Janet Pirus, Victoria Blackwell, Gail Lawson, Dan Harmon, Scott Mullen, Jayson Tipp, Kevin King, Stephen Maeker, Steve Millard, Steve Figiola; Washington Superior Court, Clark County, Case No. 14-2-01743-3.

These two related actions were commenced in April 2014 and June 2014, respectively, by separate groups of current and former franchisees against us, certain members of our board of managers and executive team, and others in Washington Superior Court (Clark County), alleging misrepresentations involving financial performance representations in ITEM 19 of the franchise disclosure document the franchisees' local marketing obligations, among other things, and brought claims for violation of the Washington Franchise Investment Protection Act ("WFIPA"), fraud, negligent misrepresentation and breach of contract. These two actions were consolidated in September 2014 under Case Number 14-2-00904-0.

Each of the plaintiff groups entered into settlements with Papa Murphy's in which they dismissed all of their claims against defendants with prejudice and the action was dismissed in June 2020.

The settlements are as follows: (1) one plaintiff group dismissed its claims against Papa Murphy's for no consideration; (2) two plaintiff groups agreed to pay amounts ranging from \$5,000 to \$8,000 to Papa Murphy's and remained in the system; (3) Papa Murphy's agreed to pay one plaintiff group's advertising costs for one year, agreed to allow the franchisee to develop an additional franchise, and agreed to return the franchisee's initial development fee of \$10,000; (4) another plaintiff group agreed to remain in the system in exchange for Papa Murphy's paying 3.8% of the franchisees' sales towards local advertising for a period of two years and extending the franchise agreement's term for an additional ten years; (5) Papa Murphy's settled with fifteen different plaintiff groups and paid amounts ranging from \$10,000 per group to \$4 million per group; (6) Papa Murphy's agreed to purchase one plaintiff group's nine Papa Murphy's stores at an agreed upon value of the stores' assets plus \$500,000; and (7) Papa Murphy's agreed to purchase seven plaintiff groups' Papa Murphy's stores at an agreed upon value of the stores' assets.

Rob & Bud's Pizza, LLC v. Papa Murphy's International, Inc. and Papa Murphy's International, LLC; United States District Court for the Western District of Washington, Case No. 5:15-cv-05090-TLB.

In spring 2015, Papa Murphy's sent a notice of default to plaintiff for alleged defaults under the plaintiff's franchise agreements. In response, on April 17, 2015, the plaintiff brought an action seeking a declaratory judgment and injunction preventing Papa Murphy's from terminating the franchises. The plaintiff subsequently added claims in the case alleging that Papa Murphy's tortiously interfered with the plaintiff's employees and negligence in how Papa Murphy's handled the plaintiff's customer database, and sought compensatory damages, punitive damages and costs in an unspecified amount. The plaintiff was also a plaintiff in the LMP case described above. The case was dismissed with prejudice as part of a settlement with plaintiff in this case and the LMP case under which Papa Murphy's purchased plaintiff's nine Papa Murphy's stores at an agreed upon value of the stores' assets plus \$500,000.

PUBLIC AGENCY ACTIONS AGAINST MTY USA, AFFILIATES AND/OR THEIR PREDECESSORS

Concluded State Administrative Actions Involving SFF, L.L.C., successor in interest to SweetFrog Enterprises, L.L.C.

In the Matter of SweetFrog Enterprises, L.L.C. f.k.a. Imagination Enterprises, Inc., d/b/a Sweet Frog, Administrative Proceeding Before the Securities Commissioner of Maryland, Case No. 2012-0055.

As a result of an inquiry into the franchise related activities of SweetFrog Enterprises, L.L.C., ("SFE") the Maryland Securities Commissioner ("Commissioner") concluded that grounds existed to allege that SFE violated the registration and disclosure provisions of the Maryland Franchise Law in relation to the offer and sale of certain license agreements. SFE acknowledged that those license agreements constituted franchises as defined under the Maryland Franchise Law. SFE represented that it entered into license agreements with eight Maryland licensees during the time it was not registered to offer and sell franchises in Maryland. On August 29, 2012, the Commissioner and SFE agreed to enter into a consent order whereby SFE, without admitting or

denying any violations of the law, agreed to: (i) immediately and permanently cease from the offer and sale of franchises in violation of the Maryland Franchise Law; (ii) file and diligently pursue an application for an initial franchise registration in Maryland relating to the license agreements it offered and sold to Maryland licensees; and (iii) to offer to rescind the license agreements of all Maryland licensees to whom it sold unregistered franchises. We are not aware of any licensees that accepted the rescission and have made a good faith effort to obtain that information.

Concluded State Administrative Actions Involving Predecessor Blimpie Associates, Ltd.

In May 1992, Blimpie Associates, Ltd. (“Blimpie”) and Joseph Dornbush (formerly the President of Blimpie) (collectively “Respondents”) responded to a claim by the New York Department of Law that it had sold franchises during a period of time when Blimpie’s prospectus had not been updated by amendment. Without the admission of any wrongdoing, Respondents consented to the entry of an order in which Respondents agreed: (i) to entry of a judgment enjoining them from further violations of the New York Franchise Sales Act; and (ii) to pay the sum of \$18,000 to the State of New York as an additional allowance. Respondents paid the \$18,000 in May 1992 and executed the consent judgment on August 25, 1992.

Concluded State Administrative Actions Involving Maui Wowi Franchising, Inc., predecessor in interest to Kahala Franchising, L.L.C.

In the Matter of Maui Wowi Franchising, Inc., Before the Securities Commissioner of Maryland, Case No. 2005-0651.

On November 11, 2005, Maui Wowi Franchising, Inc., the predecessor franchisor of the Maui Wowi brand (“MWF”), entered into a Consent Order with the Securities Commissioner of Maryland (“Commissioner”) resulting from MWF inadvertently entering into four franchise agreements with Maryland residents after its registration in Maryland expired on June 9, 2004 (“Maryland Franchisees”). The Consent Order required MWF to cease and desist from the offer and sale of unregistered franchises in Maryland; to diligently pursue the completion of its then pending application; to register its Offering Circular in Maryland; to develop and implement new franchise law compliance procedures to ensure future compliance with the registration and disclosure provisions of Maryland Franchise Law; and to enroll an officer and a franchise compliance person in a franchise law compliance training program. Upon notification by the Commissioner, MWF sent to the Maryland Franchisees the registered Offering Circular, a copy of the Consent Order, and a letter notifying the Maryland Franchisees that they could rescind their franchise agreements. At this time, MWF is in full compliance with the Consent Order.

In the Matter of Maui Wowi Franchising, Inc., Before the Securities Commissioner of Maryland, Case No. 2007-0194.

On September 12, 2007, “MWF” entered into a Consent Order with the Maryland Commissioner resulting from MWF inadvertently entering into two franchise agreements with two Maryland residents (“Second Maryland Franchisees”) without delivering to them the appropriate Offering Circular. MWF was registered in the State of Maryland at the time of the offer and sale with an Offering Circular containing certain specific information required only by Maryland law. At the same time, MWF used a second form of Offering Circular in other states that did not contain all

of the information required by Maryland law. Prior to the execution of the franchise agreements with the Second Maryland Franchisees, MWF accidentally delivered to them the Offering Circular that did not contain the Maryland-specific information. We subsequently reported these mistakes to the Commissioner. The Consent Order required MWF to cease and desist from the offer and sale of franchises in Maryland in violation of the Maryland Franchise Law; to diligently pursue the completion of its then pending application to register its Offering Circular in Maryland; to implement additional compliance measures to ensure future compliance with the Maryland Franchise Law; to employ an approved franchise law compliance training program or trainer to monitor MWF's franchise activities in Maryland for two years; and to reimburse the Maryland Attorney General for its investigation and resolution costs in the total amount of \$2,500. Additionally, MWF was required to provide to the Second Maryland Franchisees the registered Offering Circular, a copy of the Consent Order, and a letter notifying the Second Maryland Franchisees that they have a right to rescind their franchise agreements. The Commissioner and MWF subsequently entered into an Amended Consent Order in which MWF elected to withdraw from the State of Maryland instead of employing a compliance monitor, with the agreement to employ a monitor if MWF was to re-register in the State of Maryland. MWF fully complied with the Amended Consent Order, and subsequently employed a compliance monitor and was granted registration in the State of Maryland.

Concluded State Administrative Actions, Arbitration, and Litigation Involving BF Acquisition Holdings, L.L.C. and/or its predecessors

State of Maryland Determination; Case Number 2012-0073.

In February 2012, the State of Maryland alleged that during the period January 1, 2009 to November 26, 2009, Triune, LLC ("Triune"): (i) did not retain signed acknowledgements of receipt reflecting the dates that its Franchise Disclosure Document was delivered to certain Maryland residents and non-residents; (ii) sold franchises to certain Maryland residents and non-residents without providing them with a copy of a 2009 Franchise Disclosure Document; (iii) sold franchises to certain Maryland residents and non-residents without providing them with a copy of a 2009 Franchise Disclosure Document that contained its 2008 financial statements with a going concern note from its auditors resulting from the unfavorable financial condition of its parent company; and (iv) sold franchises to certain Maryland residents and non-residents without including, or abiding with, a deferral condition in their Franchise Agreements that was imposed upon it by the State of Maryland, all as required by the Maryland Franchise Registration and Disclosure Law (the "Maryland Law") and in violation of the Maryland Law. Without admitting or denying the allegations, in September 2012, Triune voluntarily entered into a Consent Order with the Office of the Attorney General of Maryland and agreed to: (i) not violate the Maryland Law in the future; (ii) pay the Office of the Attorney General the sum of \$50,000 as a civil penalty; (iii) retain copies of all acknowledgments of receipt confirming dates that prospective Maryland franchisees received any Maryland Franchise Disclosure Documents; (iv) comply with the disclosure and antifraud provisions of the Maryland Franchise Law and the record keeping and escrow requirements of the Code of Maryland Regulations; and (v) send a copy of the Consent Order to certain Maryland franchisees.

State of Virginia Determination; Case Number SEC-2012-00027.

In February 2012, the Division of Securities and Retail Franchising of the State Corporation Commission (the "Commission") alleged that during 2009 Triune, LLC ("Triune"): (i) offered or sold franchises in Virginia in 2009 that were not registered under the Virginia Retail Franchising Act (the "Virginia Act"); (ii) offered or sold franchises in Virginia without disclosing that it was not registered to do so; (iii) failed to provide material information regarding the parent company's unfavorable financial condition and the potential impact that it could have on Triune as stated in a going concern note in its 2008 financial statements from its auditors; and (iv) failed to provide a prospective franchisee with a copy of its Franchise Disclosure Document as required by rule or order of the Commission at least 14 calendar days before the prospective franchisee signed a binding agreement or made any payment to it in connection with the sale or offer to sell a franchise in Virginia. Without admitting or denying the allegations, on November 26, 2012, Triune voluntarily entered into a Settlement Order with the Commission and agreed: (i) to not violate the Virginia Act in the future; (ii) to pay Virginia the sum of \$25,000 as a penalty and the sum of \$5,000 to defray the Commission's costs of investigation; (iii) to offer certain Virginia franchisees a refund of their initial franchise fees; and (iv) to send a copy of the Settlement Order to certain Virginia franchisees.

Lawsuits Filed by Franchisor Kahala Franchising, L.L.C. Against Franchisees During Fiscal Year December 1, 2024 through November 30, 2025

Suit for Breach of Contract

Kahala Franchising, L.L.C. v. Golden Enterprises, Inc.; DBH Associates, LP, Deseret Sales, Inc., Randy Herzog, Laurie Herzog, Amy Wilson, Rob Wilson, Clare Hunter, Deobrah Hunter; United States District Court in and for the Eastern District of Washington; Case No.: 2:25-cv-00426.

Kahala Franchising, L.L.C. v. Mid Valley Foods, Inc., Candyce Dilbeck, Steve Hopkins, Gegory M. Hopkins; United States District Court in and for the District of Arizona; Case No.: 2:25-cv-04166-KML.

Suit for Federal Trademark Infringement, Lanham Act, 15 U.S.C. §1124; Common Law Trademark Infringement; Federal Unfair Competition, Lanham Act, 15 U.S. C. §1125; Common Law Unfair Competition; Breach of Contract; Unjust Enrichment; Audit Demand/Accounting

Kahala Franchising, L.L.C. v. Byron Washington and Bram Berg; United States District Court for the Southern District of New York; Case No.: 1:25-cv-06392.

Other than these actions, no litigation is required to be disclosed in this Item

4. BANKRUPTCY

No bankruptcy information is required to be disclosed in this Item.

5. INITIAL FEES

Initial Fee

If you sign a Franchise Agreement for a single Restaurant that offers full service, counter service or line service (as apart of full service), you must pay Famous Dave's a nonrefundable Initial Fee of \$35,000 depending on the service model.

If you sign a Franchise Agreement for a single add-on ghost kitchen or cloud kitchen Restaurant, you must pay Famous Dave's a nonrefundable Initial Fee of \$10,000. We will not grant you a ghost kitchen or cloud kitchen add-on unless you have also entered into a Franchise Agreement for a Restaurant.

If you are currently an active or active reserve member of the U.S. Armed Forces, have been honorably discharged from the U.S. Armed Forces ("Eligible Military"), or are a 501(c)(3) organization ("501(c)(3)"), you will receive a 20% discount on the Initial Franchise Fee.

You must pay the Initial Fee in full when you sign the Franchise Agreement.

Opening Team Expenses

You will reimburse Famous Dave's for the Travel Expenses and the prorated Salaries and Benefits for the Opening Team members who assist you with the opening of your Restaurant (see Item 11). These expenses are nonrefundable and will typically range between \$10,000 and \$50,000 but may be lower or higher depending upon the service model and the location of your Restaurant. You will pay to Famous Dave's 50% of the estimated Opening Team expenses for your Restaurant, which Famous Dave's will determine based on the size of the Opening Team, distance traveled, and other factors, before the date that the Opening Team arrives at your Restaurant. Upon completion of the Opening Team's assistance, Famous Dave's will send you an invoice for the actual amount of remaining Opening Team costs. You must pay this invoice within 30 days.

Site Review Report Fee (For all Restaurants except an add-on ghost kitchen, if requested)

You will pay to Famous Dave's the then-current Site Review Report Fee after Famous Dave's prepares a site review report and issue a "no objection" letter for the proposed site of your Restaurant. The current Site Review Report Fee is \$1,000 to \$5,000, and may increase if a site visit is required. The Site Review Report Fee is nonrefundable.

During Famous Dave's 2025 fiscal year, because some franchisees operate under different forms of agreements with Famous Dave's, Famous Dave's collected from franchisees amounts ranging from \$0 to \$65,000 for the Initial Fees identified in this Item 5.

6. OTHER FEES

Type of Fee	Amount	Due Date	Remarks (1)(2)(6)
Royalty Fees	5% of Revenues (3)	Tuesday of each week for the preceding week (4)	See Note 3.
Marketing Fund Fees	Currently 1% of Revenues (5)	Tuesday of each week for the preceding week	Deposited into one or more local, regional, national or international marketing funds controlled by Famous Dave's.
Audit Fees	Amount incurred by Famous Dave's to audit your Famous Dave's® Restaurant business, estimated to range from \$1,000 to \$10,000	Within 15 days after receipt of an invoice	Payable only if an audit shows that you understated your Revenues by more than 2% in any reporting period.
Assignment Fee	\$5,000	On or before the date of the assignment	You must obtain Famous Dave's approval for an assignment. See Item 17 for more information on assignment.
Collection Costs	Amount incurred by Famous Dave's to collect unpaid fees	On demand	Includes attorneys' fees and costs.
Interest Charges	The lesser of 18% per annum or the maximum legal rate allowable by applicable law	On demand	Applies to past due payments payable to Famous Dave's.
Additional Training	You must pay the then-current Per Diem Training Fee (currently \$750 per day) for each trainer provided by Famous Dave. You must also reimburse Famous Dave's for the Travel Expenses it incurs, estimated to range from \$100 to \$1,000 per trainer.	On demand after training is completed	Payable if additional training is required by Famous Dave's because your Restaurant fails to meet certain performance standards or Famous Dave's otherwise determines that additional training is necessary, or if you request that one or more members of your Management Staff undergo additional training.

Type of Fee	Amount	Due Date	Remarks (1)(2)(6)
Reacquisition Fee	50% of the Initial Fee in the then-current standard Franchise Agreement	When you sign a new Franchise Agreement for your Famous Dave's® Restaurant	Payable only if, after the expiration of your Franchise Agreement, you meet all requirements and reacquire the Franchise for your Famous Dave's® Restaurant.
Local Advertising	Minimum of 1.5% of Revenues	Payable to suppliers as incurred	You must spend at least 1.5% of your quarterly and annual Revenues on approved local advertising. When two or more independently owned or controlled Famous Dave's Restaurants, including the Franchisee's Restaurant, are opened in the Franchisee's Designated Market Area ("DMA"), you will contribute Local Advertising Fees equal to 1.5% of your weekly Revenues to a local advertising group (the "Local Advertising Association"). Local Advertising Fees will meet your local advertising requirement (see Item 11).
Review of Unapproved Supplier	You must reimburse Famous Dave's for the expenses it incurs inspecting an unapproved supplier, estimated to range from \$500 to \$3,000	Within 30 days after you receive an invoice from Famous Dave's	Payable only if you request that Famous Dave's review and approve an unapproved supplier.
Remodeling Costs	The amount you incur to remodel your Franchised Location. These costs may range from \$50,000 to \$350,000 each time you remodel.	Payable to suppliers as incurred	You must remodel your Franchised Location in accordance with Famous Dave's requirements. Famous Dave's can require that you extensively remodel your Restaurant once every five to ten years. This does not include routine maintenance costs.
Third-Party Performance Measurement Evaluations	Estimated to range from \$250 to \$500 per inspection	Within 30 days after receipt of an invoice	Famous Dave's can utilize feedback and inspection programs to evaluate your operations, quality, compliance and food safety. Famous Dave's (in its sole discretion) may share the cost for these services upon the audit or inspection of your location if passing feedback is obtained.

Type of Fee	Amount	Due Date	Remarks (1)(2)(6)
Network Infrastructure Equipment and Security	\$3,500 to \$4,500	Upon invoicing	Payable to Famous Dave's
Technology Support Fees	\$200 to \$325 per month	As incurred	Payable to Famous Dave's for ongoing technology support
Costs, Expenses, and Attorneys' Fees	Variable	Upon demand	Payable only if Famous Dave's prevails in any action it commences or defends to enforce the Franchise Agreement (including injunction proceedings), which may arise from your indemnification obligations.
Document Administration Fee	\$500	As incurred	Applicable if an amendment must be prepared, including for an affiliate transfer.
Lease Guarantee Fee (optional)	10% of the total amount guaranteed, up to a maximum payment of \$10,000 (if applicable) (Note 15)	Signing of the lease guarantee agreement (if applicable)	See Note 7

Type of Fee	Amount	Due Date	Remarks (1)(2)(6)
Sublease Late Charge	5% of the late or unpaid amount plus any late charges and interest incurred under the Master Lease as a result of the late payment (where applicable).	As incurred	Payable to our affiliate if you are subleasing your restaurant space from our affiliate.
Reimbursement of Taxes	We may seek reimbursement from you the cost of all taxes, assessments and similar charges we incur arising from your operation of the Franchised Business or our licensing of intellectual property to you in the state where your Franchised Business is located.	Payable monthly by electronic funds transfer at same time as royalty and service fee.	Only imposed if government authority collects these taxes or assessments

Notes:

- (1) With the exception of the costs associated with local advertising, maintenance, and remodeling, unless otherwise specified, each fee is imposed by and payable to Famous Dave's. Different versions of the Franchise Agreement from prior registration periods contain different fees, due dates and fee amounts. Famous Dave's may in its discretion waive or reduce certain fees described in this Item from time to time.
- (2) All fees are nonrefundable and, unless otherwise directed, are payable to Famous Dave's via electronic transfer of funds.
- (3) Revenues include the total dollar sales from your Restaurant. It does not include sales, use, or gross receipt taxes, or coupons, discounts or employee meals.
- (4) Paid by electronic transfer initiated by Famous Dave's.
- (5) Famous Dave's can increase the percentage of your Revenues payable for the Marketing Fund Fee by up to 1/2% per year after giving you at least 60 days prior notice of the increase.
- (6) Additional fees associated with the acquisition of a Refranchised Restaurant are described in Item 5 above.
- (7) If, in order to obtain the lease agreement for the site of your Famous Dave's restaurant, the landlord requires you to obtain a third party lease guarantee, and we or one of our affiliates agrees to serve as such guarantor (with such determination to be made in our sole and