

Agreement Section 22 and Market Development Agreement Section 15. These provisions may not be enforceable under certain state laws. See **Exhibit H** and **Exhibit I** for descriptions of some specific state statutes and regulations. We recommend that you carefully review all of these provisions, and the entire contracts, with a lawyer.

## ITEM 18. PUBLIC FIGURES

HHI does not use any public figure to promote its 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 tables and corresponding notes below present historical “Net Sales” data of Huddle House Restaurants for the three most recent calendar years: 2023, 2022, and 2021. The information for each calendar year is organized to show the results in three categories: (1) combined Franchised Units and HHI owned Units (each a “**Company-Owned Unit**”); (2) Franchised Units only; and (3) Company-Owned Units only. For each year, the results are divided into four tiers based on Net Sales performance of the Total System (Franchised and Company-Owned). The four tiers are: top 10%; upper mid-tier between 50% and 90%; lower mid-tier between 10% and 50%; and bottom 10%. The first column in each table reflects the Net Sales ranges applicable to each of the four reported tiers for the respective calendar year. Additionally, for each group, the tables show the highest, average, median and lowest Net Sales results within that group during the respective year. Please review the tables in connection with the Notes following the tables, which provide additional information regarding the Units, the criteria for inclusion in the tables, and results of the Units that did not meet the criteria for inclusion in the tables.

**Table 1**  
**Huddle House Total System – Calendar Year 2023 Net Sales**

<b>Net Sales</b>	<b>Average Net Sales per Unit</b>	<b>High Net Sales</b>	<b>Median Net Sales</b>	<b>Low Net Sales</b>	<b>Total # of Units (in Net Sales range)</b>	<b>Total # / % of Units Above Average</b>
> \$1,220,655	\$1,443,446	\$2,189,878	\$1,378,787	\$1,230,060	25	10 / 40%
\$810,771 to \$1,220,655	\$969,122	\$1,220,655	\$952,203	\$810,771	107	48 / 45%
\$450,777 to 810,771	\$625,645	\$810,097	\$620,029	\$451,205	107	51 / 48%
< \$450,777	\$369,593	\$450,777	\$406,615	\$159,095	25	18 / 72%
Total System	\$818,053	\$2,189,878	\$810,434	\$159,095	264	127 / 48%

**Table 2**  
**Huddle House Franchised Restaurants – Calendar Year 2023 Net Sales**

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
> \$1,230,060	\$1,473,240	\$2,189,878	\$1,440,191	\$1,250,031	21	6 / 29%
\$815,842 to \$1,230,060	\$979,765	\$1,230,060	\$955,722	\$833,116	84	38 / 45%
\$443,002 to 815,841	\$632,916	\$820,740	\$629,922	\$451,205	83	40 / 48%
< \$443,002	\$359,757	\$443,001	\$400,462	\$159,095	21	14 / 67%
Total Franchise Restaurants	\$829,307	\$2,189,878	\$833,116	\$159,095	209	98 / 47%

**Table 3**  
**Huddle House Company-Owned Restaurants – Calendar Year 2023 Net Sales**

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
>\$1,045,036	\$1,222,213	\$1,332,243	\$1,279,598	\$1,091,890	5	3 / 60%
from \$739,559 to \$1,045,036	\$916,535	\$1,045,036	\$933,251	\$741,267	23	13 / 57%
from \$455,863 to \$739,558	\$598,456	\$739,558	\$587,048	\$461,204	23	11 / 48%
< \$455,863	\$421,233	\$455,862	\$420,759	\$392,637	4	3 / 75%
Total Company-Owned Restaurants	\$775,287	\$1,332,243	\$741,267	\$392,637	55	30 / 55%

**Table 4**  
**Huddle House Total System – Calendar Year 2022 Net Sales**

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
> \$1,151,000	\$1,358,488	\$2,092,634	\$1,264,363	\$1,152,662	28	12 / 43%
\$725,00 to \$1,150,999	\$895,721	\$1,150,254	\$876,515	\$732,259	112	49 / 44%
\$418,400 to \$724,999	\$567,341	\$724,711	\$547,464	\$418,471	111	51 / 46%
< \$418,399	\$323,754	\$418,038	\$360,995	\$144,345	28	17 / 61%
Total System	\$754,116	\$2,092,634	\$732,259	\$144,345	279	133 / 48%

**Table 5**  
**Huddle House Franchised Restaurants – Calendar Year 2022 Net Sales**

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
> \$1,181,000	\$1,390,392	\$2,092,634	\$1,274,396	\$1,183,980	23	9 / 39%
\$724,000 to \$1,180,999	\$910,382	\$1,180,674	\$893,432	\$732,259	90	38 / 42%
\$407,000 to \$723,999	\$560,745	\$722,552	\$544,816	\$407,468	89	41 / 46%
< \$409,999	\$307,058	\$398,587	\$349,830	\$144,345	23	13 / 57%
Total Franchise Restaurants	\$759,475	\$2,092,634	\$732,259	\$144,345	225	105 / 47%

**Table 6**  
**Huddle House Company-Owned Restaurants – Calendar Year 2022 Net Sales**

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
> \$1,057,000	\$1,145,493	\$1,388,589	\$1,075,014	\$1,057,826	5	2 / 40%
\$765,000 to \$1,056,999	\$850,798	\$987,066	\$825,335	\$765,624	22	9 / 41%
\$472,000 to \$764,999	\$591,154	\$724,711	\$572,224	\$472,449	22	10 / 45%
< \$471,999	\$413,203	\$456,062	\$418,471	\$372,514	5	3 / 60%
Total Company-Owned Restaurants	\$731,786	\$1,388,589	\$745,168	\$372,514	54	27 / 50%

**Table 7**  
**Huddle House Total System – Calendar Year 2021 Net Sales**

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
>\$1,113,500	\$1,344,205	\$1,903,695	\$1,270,522	\$1,113,536	28	11 / 39%
\$723,800 to \$1,112,700	\$878,523	\$1,112,613	\$873,608	\$723,846	114	54 / 47%
\$413,000 to \$723,400	\$572,253	\$723,312	\$583,305	\$413,207	114	59 / 52%
<\$402,000	\$318,803	\$401,961	\$341,959	\$200,220	28	16 / 57%
Total System	\$746,312	\$1,903,695	\$723,579	\$200,220	284	136 / 48%

**Table 8**  
**Huddle House Franchised Restaurants – Calendar Year 2021 Net Sales**

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
>\$1,113,500	\$1,349,644	\$1,903,695	\$1,272,037	\$1,113,536	27	11 / 41%
\$723,800 to \$1,112,700	\$885,590	\$1,099,488	\$878,194	\$734,413	88	41 / 47%
\$413,000 to \$723,400	\$571,562	\$723,312	\$585,088	\$413,207	93	49 / 53%
<\$402,000	\$315,990	\$401,961	\$339,349	\$200,220	26	14 / 54%
Total Franchise Restaurants	\$751,040	\$1,903,695	\$712,428	\$200,220	234	111 / 47%

**Table 9**  
**Huddle House Company-Owned Restaurants – Calendar Year 2021 Net Sales**

Net Sales	Average Net Sales per Unit	High Net Sales	Median Net Sales	Low Net Sales	Total # of Units (in Net Sales range)	Total # / % of Units Above Average
>\$1,113,500	\$1,197,369	\$1,197,369	\$1,197,369	\$1,197,369	1	1 / 100%
\$723,800 to \$1,112,700	\$854,605	\$1,112,613	\$820,043	\$723,846	26	11 / 42%
\$413,000 to \$723,400	\$575,310	\$719,023	\$554,832	\$454,317	21	10 / 48%
<\$402,000	\$355,378	\$363,704	\$355,378	\$347,051	2	1 / 50%
Total Company-Owned Restaurants	\$724,188	\$1,197,369	\$738,852	\$347,051	50	26 / 52%

#### Notes to Tables 1 - 9

1. The tables above include all Standard Units, provided that each meets following criteria: (a) the Restaurant was open as of April 30, 2024 (the end of HHI's most recent fiscal year), and (b) the Restaurant was open at least 50% of the calendar year represented in the respective table. For example, Tables 1-3 include Units that were open as of April 30, 2024, and were open at least 50% of 2023, and Tables 4-6 include Units that were open as of May 2, 2023 and were open at least 50% of 2022.

There were more Restaurants that reported Sales during the respective calendar years than the number of Restaurants included in tables above. This is due to Restaurants not meeting the criteria described above, which may have occurred because the Restaurants closed during the year, were open less than 50% of the year, or closed prior to April 30, 2024, or prior to the end of the respective fiscal year. The Restaurants excluded from data presented in the Tables are described below.

Table 1 - 2023 Total System: 30 Units were not included (27 Franchised and 3 Company Owned). Of these, 3 Franchised Units opened in calendar 2023. The 30 units with sales in 2023 had an average Net Sales of \$290,661, a high Net Sales of \$784,323, median Net Sales of \$241,995, and low Net Sales of \$9,967. Of these 30 Units, 11 (37%) exceeded the average.

Table 2 - 2023 Franchised Units: 27 Units were not included. Of these, 3 Franchised Units opened in calendar 2023. The 27 Units with sales in 2022 had an average Net Sales of \$294,983, high Net Sales of \$784,323 median Net Sales of \$245,455, and low Net Sales of \$9,967. Of these 27 Units, 10 (37%) exceeded the average.

Table 3 - 2023 Company-Owned Units: 3 Units were not included. These Units had an average Net Sales of \$251,763, high Net Sales of \$455,862, median Net Sales of \$188,037, low Net Sales of \$111,391. Of these 3 Units, 1 (33%) exceeded the average.

Table 4 - 2022 Total System: 33 Units were not included (29 Franchised and 4 Company Owned). Of these, 3 Franchised Units opened in calendar 2023, 1 Unit was temporarily closed due to fire and therefore did not have Net sales in 2022 and were not included in the Tables. The 29 units with sales in 2022 had an average Net Sales of \$302,137, a high Net Sales of \$727,945, median Net Sales of \$249,677, and low Net Sales of \$8,488. Of these 29 Units, 14 (48%) exceeded the average.

Table 5 - 2022 Franchised Units: 29 Units were not included. Of these, 3 Franchised Units opened in calendar 2023, 1 was temporarily closed due to fire and therefore did not have Net Sales in 2022 and were not included in the table. The 25 Units with sales in 2022 had an average Net Sales of \$273,477, high Net Sales of \$727,945, median Net Sales of \$235,058, and low Net Sales of \$8,488. Of these 25 Units, 11 (44%) exceeded the average.

Table 6 - 2022 Company-Owned Units: 4 Units were not included. These Units had an average Net Sales of \$481,268, high Net Sales of \$696,258, median Net Sales of \$560,558, low Net Sales of \$107,698. Of these 4 Units, 3 (75%) exceeded the average.

Table 7 - 2021 Total System: 30 Units were not included (27 Franchised and 3 Company-Owned). Of these, 4 Franchised Units opened in calendar 2022 and therefore did not have Net Sales in 2021 and were not included in the Tables. The 26 Units with sales in 2021 had: an average Net Sales of \$222,217, a high Net Sales of \$647,120, median Net Sales of \$199,222, and a low Net Sales of \$50,104. Of these 26 Units, 11 (42%) exceeded the average.

Table 8 - 2021 Franchised Units: 27 Units were not included. Of these, 4 Franchised Units opened in calendar 2022 and therefore did not have Net Sales in 2021 and were not included in the Tables. The 23 Units with sales in 2021 had: an average Net Sales of \$215,457, a high Net Sale of \$647,120, median Net Sales of \$194,389, and a low Net Sales of \$50,104. Of these 23 Units, 10 (43%) exceeded the average.

Table 9 - 2021 Company-Owned Units: 3 Units were not included. These Units had: an average Net Sales of \$274,041, a high Net Sales of \$427,792, median Net Sales of \$266,542 and a low Net Sales of \$127,790. Of these 3 Units, 1 (33%) exceeded the average.

2. Net Sales is Sales excluding promotions, discounts, employee meals, voids, and sales tax. The term “Net Sales” is explained in greater detail in Item 6 of this disclosure document. As described in Item 6, a Unit’s Sales includes all orders taken in and from the Unit, including Catering and delivery activities, and if a Unit elects to participate in a Virtual Product Offering, the revenues generated by its sales of those product offerings are included in its total Net Sales.

*Virtual Product Offering Net Sales.* For Units that participated in Virtual Product Offerings during any portion of 2023 or 2022 and that are included in the Units reported above for 2023 or 2022, the revenues from their virtual product sales are reflected in the Net Sales used in computing Tables 1 – 6 above. In 2023, a total of 100 Huddle House Restaurants participated in one or more Virtual Product Offerings, as described below. In 2022, a total of 68 Huddle House Restaurants participated in one or more Virtual Product Offerings, as described below.

2023 Participating Franchised Huddle House Units:

- 48 Units participated in the VDC Product Offering, with the following reported Net Sales attributed to VDC products: an average of \$14,670, a median of \$9,285, a high of \$92,984, and a low of \$31. Of these 48 Units, 15 (31.3%) exceeded the average; and
- 25 Units participated in the Papa Corazón's LPL, with the following reported Net Sales attributed to Papa Corazón's products: an average of \$5,844, a median of \$4,785, a high of \$21,689, and a low of \$25. Of these 25 Units, 11 (44.0%) exceeded the average.

2023 Participating Company-Operated Huddle House Units:

- 42 Units participated in the VDC Product Offering, with the following reported Net Sales attributed to VDC products: an average of \$15,484, a median of \$10,671, a high of \$77,055, and a low of \$423. Of these 42 Units, 16 (38.1%) exceeded the average; and
- 31 Units participated in the Papa Corazón's LPL, with the following reported Net Sales attributed to Papa Corazón's products: an average of \$14,055, a median of \$11,845, a high of \$65,752, and a low of \$19. Of these 31 Units, 11 (35.5%) exceeded the average.

2022 Participating Franchised Huddle House Units:

- 22 Units participated in the VDC Product Offering, with the following reported Net Sales attributed to VDC products: an average of \$4,847, a median of \$2,976, a high of \$18,125, and a low of \$354. Of these 22 Units, 7 (31.8%) exceeded the average; and
- 0 Units participated in the Papa Corazón's LPL.

2022 Participating Company-Operated Huddle House Units:

- 46 Units participated in the VDC Product Offering, with the following reported Net Sales attributed to VDC products: an average of \$17,322, a median of \$11,457, a high of \$91,687, and a low of \$21. Of these 46 Units, 16 (34.8%) exceeded the average; and
- 38 Units participated in the Papa Corazón's LPL, with the following reported Net Sales attributed to Papa Corazón's products: an average of \$16,859, a median of \$10,257, a high of \$100,227, and a low of \$75. Of these 38 Units, 15 (39.5%) exceeded the average.

3. The term “Median” restaurant used in this Item 19 means the restaurant with the middle result. For example, if there are 35 restaurants, then the 18<sup>th</sup> restaurant is the median. If there are 36 restaurants, then the 18<sup>th</sup> and 19<sup>th</sup> restaurant's average is the median.
4. The data in the Tables above for Company-Owned Units was prepared from HHI's internal operating records. The franchisee information reflected in the Tables was prepared using financial information provided to us by franchisees. The franchisees' financial information is not audited.

\* \* \* \*

Additional Notes to Item 19

Please note that this Item 19 includes financial performance information relevant to HHI's standard Huddle House Restaurants.

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

Among other things, HHI recommends that you make your own independent investigation and evaluation of the potential performance of your Huddle House Restaurant, and consult with your attorney, accountant and other

advisors before signing any franchise agreement. HHI suggests that you develop and review with your professional advisors a pro forma cash flow statement, balance sheet and income statement, and that you make your own financial projections regarding sales, costs, customer base, and business development for your own Huddle House Restaurant.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, HHI does not make any financial performance representations. HHI also does not authorize its employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing Huddle House Restaurant, however, HHI may provide you with the actual records of that Huddle House Restaurant. If you receive any other financial performance information or projections of your future income, you should report it to HHI management by contacting Louis DiPietro, 5901-B Peachtree Dunwoody Rd NE, Suite 450, Sandy Springs, GA 30328 (phone: 770.325.1372; fax: 770.325.1316; email: [LDiPietro@AscentHM.com](mailto:LDiPietro@AscentHM.com)), the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1**  
**Systemwide Outlet Summary**  
**For the years 2021-2023**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	260	253	-7
	2022	253	231	-22
	2023	231	216	-15
Company-Owned	2021	53	50	-3
	2022	50	55	+5
	2023	55	56	1
<b>Total Outlets</b>	<b>2021</b>	<b>313</b>	<b>303</b>	<b>-10</b>
	<b>2022</b>	<b>303</b>	<b>286</b>	<b>-17</b>
	<b>2023</b>	<b>286</b>	<b>272</b>	<b>-14</b>

### Notes to Table 1

1. These tables reflect HHI's fiscal years (not calendar years):
  - 2023 = May 3, 2023 to April 30, 2024
  - 2022 = May 4, 2022 to May 2, 2023
  - 2021 = April 28, 2021 to May 3, 2022
2. All outlets described in this table are Standard Units. The total includes a franchised Unit that is under reconstruction due to building damage (see Notes to Table 3).
3. In 2021, HHI began testing Virtual Product Offerings at some Company-Operated Restaurants and allowing qualifying franchisees to participate in the Virtual Product Offerings from their Huddle House Restaurants. As of the date of this Disclosure Document, there are two forms of Virtual Product Offerings available for franchisee participation. These are the VDC Virtual Product Offering, which is licensed to franchisees by Virtual Dining Operations, LLC, and the “Papa Corazón's Quesadillas” limited product line (or Papa Corazón's LPL) that is offered by HHI. Item 1 includes additional information regarding the Virtual Product Offerings. As of the end of our most recent fiscal year, there were a total of **81** Units participating in at least one of the current Virtual Product Offerings, of which **36** were Company-Operated Restaurants and **45** were Franchised Huddle House Restaurants. For additional details regarding the Huddle House Restaurants participating in each state, see the notes to Table 3 for franchised Restaurants and Table 4 for Company-Operated Restaurants. Also, Exhibit D of this Disclosure Document identifies the Huddle House Restaurants participating in a Virtual Products Offering as of the end of the last fiscal year.