

Provision	Section in Franchise Agreement	Section in Development Agreement	Summary
			be valid or of any effect unless made in a writing.
t. Integration/ merger clause	26	14	Only the terms of the Franchise Agreement or Development Agreement are binding (subject to state law). Any representations or promises outside the Disclosure Document and franchise agreement may not be enforceable. No claim made in any franchise agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	29	19	Any controversy or dispute that arises between the parties related in any way to this Agreement or the relationship between the parties must be submitted to non-binding mediation before an action may be brought in a court of competent jurisdiction or in arbitration (subject to applicable state law)..
v. Choice of forum	29(c)	19(c)	Except as prohibited by state franchise law, litigation must be in jurisdiction where our principal offices are located (subject to applicable state law).
w. Choice of law	29(b)	19(b)	Except to the extent governed by the U.S. trademark laws or the franchise laws of any state, Arizona law applies (subject to state law).

ITEM 18: PUBLIC FIGURES

No public figures are required to be disclosed in its Item.

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.

UNAUDITED HISTORIC NET SALES FOR 5 AFFILIATE OWNED AND 15 FRANCHISEE OWNED ANGRY CRAB SHACKS FOR 2022, 2023, AND 2024

Location	Franchise or Affiliate Owned	2022 Net Sales ⁽¹⁾	2023 Net Sales ⁽¹⁾	2024 Net Sales ⁽¹⁾
Mesa	Affiliate	\$6,541,282	\$5,039,542	\$5,235,718
Phoenix	Affiliate	\$4,646,539	\$3,768,983	\$4,037,302
Peoria	Affiliate	\$4,724,064	\$3,950,859	\$4,247,494
Goodyear	Affiliate	\$4,356,491	\$3,950,859	\$4,406,894
East Mesa	Affiliate	\$3,851,135	\$3,691,216	\$4,012,070
North Tucson	Franchise	\$3,776,008	\$2,464,496	\$2,652,146
Norterra	Franchise	\$4,021,471	\$3,692,342	\$3,921,238
East Bell	Franchise	\$2,024,143	\$1,761,542	\$1,767,541
Yuma	Franchise	\$2,510,106	\$2,171,349	\$2,452,100
Surprise	Franchise	\$2,984,972	\$2,502,224	\$2,368,504
San Tan	Franchise	\$2,418,648	\$2,231,557	\$2,317,455
Henderson	Franchise	\$3,193,107	\$2,388,225	\$1,730,846
Scottsdale	Franchise	2,055,887	\$2,048,291	\$2,180,771
Orange Beach	Franchise	2,294,379	\$2,373,097	\$2,768,829
Laveen	Franchise	2,397,800	\$1,655,736	\$2,144,389
Casa Grande	Franchise	*	\$1,894,608	\$2,101,562
Atascocita	Franchise	*	\$1,257,126	\$1,292,434
East Tucson	Franchise	*	\$2,995,541	\$3,040,677
Tempe	Franchise	*	\$2,775,813	\$3,001,823
Everett	Franchise	*	*	\$2,105,925
Average Net Sales		\$3,453,069	\$2,771,404	\$2,889,286
Median Net Sales		\$3,193,107	\$2,464,496	\$2,552,123

Number of Units that Exceeded Average Net Sales in 2024	8/20 (40%)
Number of Units that Exceeded Median Net Sales in 2024	10/20 (50%)
Number of Units that Exceeded Average Net Sales in 2023	8/19 (42%)
Number of Units that Exceeded Median Net Sales in 2023	9/19 (47%)
Number of Units that Exceeded Average Net Sales in 2022	7/15 (47%)
Number of Units that Exceeded Median Net Sales in 2022	7/15 (47%)

(1) “Net Sales” as used in this representation shall mean all sales, money or things of value, received or receivable less applicable sales taxes and any documented refunds, promotional discounts, credits and allowances.

(2) This financial performance representation does not include (i) sales data for 2022 for four (4) Angry Crab Shacks that were open for only a portion of 2022: (ii) sales data for 2022 for one (1) location

that was not open at all in 2022; (iii) sales data for 2023 for one (1) location that was open for only a portion of 2023; (iv) sales data for two (2) Angry Crab Shacks that opened in 2024 and that were not open for the entirety of 2024; and (v) sales data for one (1) Angry Crab Shack that was acquired by an Affiliate of Franchisor in 2024, was closed for part of 2024, and which Franchisor does not believe that it has a reasonable basis to include in this financial performance representation, and which is not included at all in this financial performance representation.

- (3) The Net Sales data included in this financial performance representation reflects actual historic Net Sales and is not a projection of future Net Sales.
- (4) **Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.**

**UNAUDITED HISTORICAL INITIAL INVESTMENT AND NET SALES
FOR SIXTEEN (16) FRANCHISE OWNED ANGRY CRAB SHACKS
FOR CALENDAR YEARS 2022, 2023 AND 2024**

The table below represents the initial investment to open and Net Sales at fourteen (16) franchise owned Angry Crab Shacks that operated for at least one (1) calendar year as of December 31, 2024.

Location	Opening Date ⁽¹⁾	Initial Investment to Open ⁽²⁾	2022 Net Sales ⁽³⁾	2023 Net Sales ⁽³⁾	2024 Net Sales ⁽³⁾
North Tucson	17-Aug	\$635,220	\$3,776,608	\$2,464,496	\$2,652,146
Norterra	19-Jan	\$331,000	\$4,021,471	\$3,692,342	\$3,921,238
East Bell	19-May	\$715,500	\$2,024,143	\$1,761,542	\$1,767,541
Yuma	19-Aug	\$487,600	\$2,510,106	\$2,171,349	\$2,452,100
Surprise	19-Dec	\$506,375	\$2,984,972	\$2,502,224	\$2,368,504
Orange Beach	20-Feb	*	2,294,379	\$2,373,097	\$2,768,829
San Tan	20-Aug	\$515,200	\$2,418,648	\$2,231,557	\$2,317,455
Laveen	20-Dec	\$938,500	2,397,800	\$1,655,736	\$2,144,389
Henderson	21-Jan	\$513,100	\$3,193,107	\$2,388,225	\$1,730,845
Scottsdale	21-Oct	\$434,350	\$2,055,887	\$2,048,291	\$2,180,771
Casa Grande	22-Feb	\$551,500	*	\$1,894,608	\$2,220,413
Atascocita	22-Apr	*	*	\$1,257,126	\$1,292,434
East Tucson	22-May	\$669,650	*	\$2,995,541	\$3,040,677
Tempe	22-Nov	\$908,700	*	\$2,775,813	\$3,001,823
Everett	23-Nov	*	*	*	\$2,105,925
Prescott	24-Jul	\$539,630	*	*	*

Average Initial Investment	1 st Generation Sites- \$988,500
Median Initial Investment	1 st Generation Sites- \$988,500
Average Initial Investment	2nd Generation Sites- \$617,319
Median Initial Investment	2 nd Generation Sites- \$577,415

- (1) Opening Date means the month and year that the Angry Crab Shack opened for business.
- (2) "Initial Investment to Open" as used in this representation means the actual security deposits, leasehold improvements to building, permits & licenses, construction costs, POS and back office computer, audio/visual expenses, fixtures, equipment, opening inventory (food, liquor, restaurant supplies), signage, miscellaneous opening expenses, grand opening expenses, professional fees, uniforms, training payroll, and 3 months additional funds (\$75,000) incurred in opening that restaurant at the time it was opened. It does not include an initial franchise fee. Franchisees are obligated to pay an Initial Franchise Fee, so it has been included in the Average Initial Investment and Median Initial Investment amounts. "Net Sales" as used in this representation shall mean all sales, money or things of value, received or receivable less applicable sales taxes and any documented refunds, promotional discounts, credits and allowances. The "Initial Investment to Open" for the five Affiliate locations has been excluded as the actual initial investment of these older restaurants is not a reasonable reflection of the estimated initial investment of a new Angry Crab Shack in 2024.
- (3) "Net Sales" as used in this representation shall mean all sales, money or things of value, received or receivable less applicable sales taxes and any documented refunds, promotional discounts, credits and allowances.
- (4) This financial performance representation does not include (i) sales data for 2022 for seven (7) Angry Crab Shacks that were not open for the entirety of 2022; (ii) sales data for 2023 for three (3) Angry Crab Shacks that were not open for the entirety of 2023; (iii) sales data for 2024 for one (1) Angry Crab Shack that opened in 2024 and was not open for the entirety of 2024 (such years are identified with an *), and (iv) sales data for one (1) Angry Crab Shack that was acquired by an Affiliate of Franchisor in 2024, was closed for part of 2024, and which Franchisor does not believe that it has a reasonable basis to include in this financial performance representation.
- (5) This financial performance representation does not include Initial Investment to Open data for five (5) Angry Crab Shacks which we do not believe we have a reasonable basis to include in this financial performance representation.
- (6) The Net Sales data included in this financial performance representation reflects actual historic Net Sales and is not a projection of future Net Sales.
- (7) Second Generation Sites are restaurant locations where the operator utilized a premises that was previously operated as a restaurant and therefore require less initial investment to open and operate. Most Angry Crab Shacks are opened in second generation locations.
- (8) The franchisees for three of our second generation sites have not provided us with their initial investment to open and therefore that information is not included above or used to calculate the average or median initial investment to open second generation sites (Such locations are identified with an *).

- (9) First Generation Sites are restaurant locations where the operator opened the Angry Crab Shack in a new, undeveloped, vanilla shell location.
- (10) The franchisee for one of our first generation sites has not provided us with its initial investment to open and therefore that information is not included above or used to calculate the average or median initial investment to open for first generation sites.
- (11) **Some outlets have sold these amounts. Your individual results may differ. There is no assurance that you'll sell as much.**

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UNAUDITED AVERAGE HISTORICAL NET SALES, EXPENSES, EBITDA, AND EBITDA PERCENTAGE FOR 18 ANGRY CRAB SHACK RESTAURANTS CATEGORIZED INTO TOP 50%, BOTTOWN 50%, AND ALL RESTAURANTS FOR CALEDAR YEAR 2024

	AVEREAGE NET SALES, EXPENSES, AND EBITDA FOR THE TOP 50% OF REPORTING ANGRY CRAB SHACK RESTAURANTS	AVEREAGE NET SALES, EXPENSES, AND EBITDA FOR THE BOTTOM 50% OF REPORTING ANGRY CRAB SHACK RESTAURANTS	AVERAGE NET SALES, EXPENSES AND EBITDA FOR ALL REPORTING ANGRY CRAB SHACK RESTAURANTS
NET SALES ⁽¹⁾			
Food Sales	\$3,665,717	\$2,082,450	\$2,874,084
Alcohol Sales	\$279,077	\$161,605	\$220,341
Sales Returns and Discounts	(\$92,345)	(\$53,465)	(\$72,905)
TOTAL AVERAGE NET SALES	\$3,852,449	\$2,190,590	\$3,021,520
COST OF GOODS SOLD ⁽²⁾			
Food Purchases	\$1,414,402	\$826,231	\$1,120,317
Alcohol Purchases	\$65,611	\$45,175	\$55,393
TOTAL COST OF GOODS SOLD	\$1,480,014	\$871,407	\$1,175,710
GROSS PROFIT ⁽³⁾	\$2,372,435	\$1,319,183	\$1,845,810
Payroll and Related Expenses ⁽⁴⁾	\$989,557	\$644,769	\$817,163
Occupancy Costs ⁽⁵⁾	\$281,935	\$260,052	\$270,994
General Administrative, Marketing and Professional Services	\$67,867	\$29,669	\$48,768
Credit Card and Bank Service Charges	\$84,805	\$47,670	\$66,238
Restaurant and Cleaning Supplies	\$180,343	\$106,110	\$143,227
Insurance	\$25,123	\$13,626	\$19,375
TOTAL OPERATING EXPENSES ⁽⁶⁾	\$1,629,630	\$1,101,896	\$1,365,765
ROYALTIES (Imputed or Actual) ⁽⁷⁾	\$192,622	\$109,530	\$151,076
Advertising Fund Fees (Imputed or Actual) ⁽⁸⁾	\$38,524	\$21,910	\$30,125
EBITDA ⁽⁹⁾	\$511,659	\$85,847	\$298,844
EBITDA % ⁽¹⁰⁾	13.3%	3.9%	9.9%
Number and Percentage of Restaurants by Category that Exceeded Average EBITDA	3/9 (33%)	5/9 (56%)	8/18 (44%)
Number and Percentage of Restaurants by Category that Was Below Average EBITDA	6/9 (67%)	4/9 (44%)	10/18 (56%)

Notes

- (1) Net Sales includes all sales, money or things of value, received or receivable, directly or indirectly, from operation of the included Angry Crab Shack restaurants, less applicable sales taxes and any documented refunds, promotional discounts, credits and allowances given to customers.
- (2) COGS includes food purchases, liquor purchases, beer purchases, and wine purchases.
- (3) Gross Profit is calculated by subtracting COGS from Net Sales.
- (4) The Top 50% and Bottom 50% of Angry Crab Shack restaurants each include nine (9) Angry Crab Shack restaurants.
- (5) The federal minimum wage in 2024 was \$7.25 per hour for non-tipped employees and \$2.13 for tipped employees. Minimum wage in Arizona in 2024 was \$14.35 for non-tipped employees and \$11.35 for tipped employees. Minimum wage laws in your state may be different. You should check with your local attorney regarding the hourly wages you will be required to pay your tipped and non-tipped employees.
- (6) Occupancy Costs include rent, commercial rent tax (where applicable) common area maintenance ("CAM") expenses, repairs and maintenance, and utility expenses. Utility expenses include cable television, electric, gas, grease trap, internet, telephone, trash/recycling, water, and security system expenses.
- (7) Total Operating Expenses includes general and administrative expenses, professional services, marketing and advertising expenses, payroll and related expenses (including salary, wages, overtime, bonuses, and payroll taxes), occupancy costs (including rent, repair and maintenance, and utilities), bank and credit card processing expenses, restaurant and cleaning supplies, and insurance.
- (8) "EBITDA" is earnings before interest, taxes, depreciation, and amortization and is calculated by subtracting COGS, Operating Expenses, Royalties, and Advertising Fund Fees from Net Sales on a consolidated basis for each classification of restaurants ((i) Affiliate Owned and (ii) Franchise Owned).
- (9) EBITDA percentage reflects the average percentage of Net Sales for each affiliate owned and franchise owned restaurant that was recognized as profit for the relevant time period.
- (10) The data included in this financial performance representation reflects historic Net Sales and expenses and is not a forecast of future Net Sales or Expenses.
- (11) This financial performance representation does not include data from three (3) Angry Crab Shack franchised restaurants where we believe that we do not have a reasonable basis to include such restaurant's reported expenses and two (2) Angry Crab Shack franchised restaurants open for only a portion of 2024.
- (12) **Some outlets have earned these amounts. Your individual results may differ. There is no assurance that you'll sell as much.**

**EXPENSES AS AN AVERAGE PERCENTAGE OF NET SALES AT 18 ANGRY CRAB SHACK RESTAURANTS
CATEGORIZED INTO TOP 50%, BOTTTOWN 50%, AND ALL RESTAURANTS FOR CALEDAR YEAR 2024**

Expense Category	Expenses as an Average Percentage of Net Sales at the Top 50% of Angry Crab Shack Restaurants	Expenses as an Average Percentage of Net Sales at the Bottom 50% of Angry Crab Shack Restaurants	Expenses as an Average Percentage of Net Sales at 18 Angry Crab Shack Restaurants	Notes
Cost of Goods Sold	38.4%	39.8%	38.9%	Includes all food and beverage product purchases.
Payroll and Related Expenses	25.7%	29.4%	27.0%	Includes manager salaries, hourly wages, employment taxes, and fees paid.
Occupancy Costs	7.3%	11.9%	9.0%	Includes rent, applicable common area maintenance fees (CAMs), utilities, and lease or property taxes payable.
Additional Operating Expenses	6.9%	7.0%	6.9%	Includes all paper goods purchases, bank fees and equipment maintenance.
Marketing, Advertising, General and Administrative Expenses	2.4%	2.0%	2.3%	Includes all local and market level marketing, licenses, permits, insurance, and professional fees.
Royalties and Advertising Fund Fees (Imputed or Actual)	6.0%	6.0%	6.0%	Affiliate owned locations did not pay Royalty and Advertising Fees to us in 2024. We included the Royalty and Advertising Fees that these Angry Crab Shacks would pay if they were franchise owned in compiling this information.
EBITDA	13.3%	3.9%	9.9%	Earnings before interest, taxes, depreciation, and amortization.

- (1) The Expenses as a Percentage of Net Sales above are based upon total Net Sales at 18 Angry Crab Shacks during 2024.
- (2) The Top 50% and Bottom 50% of Angry Crab Shack restaurants each include nine (9) Angry Crab Shack restaurants.
- (3) “Net Sales” as used in this representation shall mean all sales, money or things of value, received or receivable less applicable sales taxes and any documented refunds, promotional discounts, credits and allowances.
- (4) This representation includes expenses at franchise and affiliate owned restaurants. We included Royalty and Advertising Fund Fees paid from franchised Angry Crab Shack restaurants. Affiliate owned locations did not pay Royalty and Advertising Fees to us in 2024, but we added the amounts that these Angry Crab Shacks would pay if they were franchise owned.

(5) This financial performance representation does not include data from three (3) Angry Crab Shack franchised restaurants where we believe that we do not have a reasonable basis to include such restaurant's reported expenses and two (2) Angry Crab Shack franchised restaurants open for only a portion of 2024.

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**UNAUDITED DISTRIBUTION OF NET SALES ON A PERCENTAGE BASIS BY SERVICE
CATEGORY FOR FIVE (5) AFFILIATE OWNED AND THIRTEEN (13) FRANCHISE OWNED
ANGRY CRAB SHACK RESTAURANTS FOR CALENDAR YEAR 2024**

This representation reflects the percentage of Net Sales by category for all of calendar year 2024 at five (5) affiliate owned and thirteen (13) franchise owned Angry Crab Shack restaurants.

Service Category	Percentage of Net Sales
Food	92.9%
Liquor	3.7%
Beer	3.2%
Wine	.2%
TOTAL	100.0%

- (1) The Distribution of Net Sales on a Percentage Basis are based upon total Net Sales of \$54,387,355 at five (5) affiliate owned and thirteen (13) franchise owned Angry Crab Shacks during calendar year 2024.
- (2) “Net Sales” as used in this representation shall mean all sales, money or things of value, received or receivable less applicable sales taxes and any documented refunds, promotional discounts, credits and allowances.
- (3) This financial performance representation does not include data from three (3) Angry Crab Shack franchised restaurants where we believe that we do not have a reasonable basis to include such restaurant's reported expenses and two (2) Angry Crab Shack franchised restaurants open for only a portion of 2024.
- (4) We have not audited the financial information in compiling this information.

The financial data included in the financial performance representations above were generated from sales reports provided by company owned and franchisee owned Angry Crab Shack restaurants. 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 **Andrew Diamond, President at 2345 South Alma School Road Suite 106, Mesa, Arizona 85210 (480) 398-7099**, the Federal Trade Commission, and the appropriate state regulatory agencies.