

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, L.L.C. v. Papa Murphy's International, Inc. and Papa Murphy's International, L.L.C.; 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, 2023 through November 30, 2024

Suit for Breach of Contract

Kahala Franchising, L.L.C. v. All About Food, Inc. and Chu Yup Lee a/k/a Michale Lee; In the Circuit Court of the Nineteenth Judicial Circuit Lake County, Illinois; Case No.: 2024LA00000001.

Suit for Forcible Entry and Detainer

Cold Stone Creamery Leasing Company, Inc. v. JRF, Inc.; Iowa District Court for Dallas County; Case No.: SCSC050015.

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

ITEM 4: BANKRUPTCY

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

ITEM 5: INITIAL FEES

The initial franchise fee for all traditional and non-traditional Pinkberry restaurants is \$35,000 ("Initial Franchise Fee") and is reduced for your second and each subsequent traditional or non-traditional restaurant to \$17,500. Notwithstanding the above, the Initial Franchise Fee for a non-traditional Pinkberry location that is a vending machine is \$15,000 per vending machine, and is reduced to \$10,000 per vending machine if you purchase three (3) vending machines at the same time. The Initial Franchise Fee must be paid by you in a lump sum when you sign the Franchise Agreement

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.

There are no refunds of the Initial Franchise Fee under any circumstances. We may periodically reduce the Initial Franchise Fee in connection with limited time promotions, new concepts and/or operational programs. We may vary the terms of our franchises in connection with testing new marketing, branding and/or operational programs. These tests are generally conducted with experienced, existing franchisees and may include incentives and other rights which are not available to all franchisees. If you sign the Franchise Agreement in connection with a transfer or renewal, you will not pay the Initial Franchise Fee.

If, prior to executing your lease, you request us or our affiliate review your lease and provide suggested changes to you, you will pay us or our affiliate a \$2,500 lease review fee ("Lease Review Fee") when we agree to perform the full lease review. The Lease Review Fee is non-refundable. This is an optional service and the decision to use this service is to be made by you in your sole discretion.

The initial fees payable to us are the \$35,000 Initial Franchise Fee (\$28,000 for Eligible Military, \$17,500 for subsequent traditional/non-traditional other than vending machines, and \$15,000 or \$10,000 for vending machines), the Grand Opening Marketing \$5,000 for non-traditional other than vending machines and \$10,000 for traditional, the \$2,500 Lease Review Fee (only if you request a full review of your lease), for a total amount payable to us of \$19,000 to \$47,500 for traditional and non-traditional locations other than vending machines, and \$8,000 to \$15,000 for vending machines.

The formula used to calculate the range of initial fees paid to us and/or our affiliate(s) before the franchisee's business opened was the total of the initial franchise fee and on-site opening assistance costs.

We may offer you the option to purchase a license to sell additional signature products in your Pinkberry restaurant and to use the signature products trademark(s) as signature products are developed. We estimate that the fees associated with acquiring license(s) to sell additional products will be between \$2,500 and \$5,000 although these license fees may be modified from time to time.

ITEM 6: OTHER FEES

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Royalty Fee and Surcharge (Note 1)	6% of total Gross Sales. Surcharge is a maximum of \$10 per week in addition to the Royalty Fee. For Non-Traditional Restaurants that are Pinkberry Vending Machines, \$200 per month	Withdrawn electronically from your Depository Account on the 10th day of each calendar month (Note 3)	"Gross Sales" include all revenue from the Franchised Business excluding sales tax and authorized refunds, credits and allowances.
Advertising Fees (Note 1)	Up to 4% of Gross Sales For Non-Traditional Restaurants that are Pinkberry Vending Machines, \$50 per month	Same as Royalty Fee (Note 3)	Currently, Advertising Fee is 2% of monthly Gross Sales. (Note 7)
Pinkberry Loyalty Program	Up to \$140 per month per location Required equipment, scanner;(part of POS package) and network switch \$0-\$420	Payable by automatic debit together with and for the same period as the Royalty Fee	You must participate in the Loyalty Program unless non-traditional then optional based upon agreement with franchisor Supply Cost are based on individual location We may modify the program at any time
Hosted Services Fee	\$115 per month	Upon demand	Approved vendor (currently Paytronix)
Additional Persons Training Fee (KTEC) (Note 1)	\$750 per person per day	Upon demand	The training of two individuals for new owner training at KTEC (Kahala Training & Education Center) in Scottsdale, AZ is included in the Initial Franchise Fee. The Additional Persons Training Fee is for any additional persons who attend the new owner training portion of the initial Training Program.

Column 1	Column 2	Column 3	Column 4
Type of Fee	Amount	Due Date	Remarks
Additional Persons Training Fee	\$1,750 per person per person (\$1,000 per person (\$500/40 hour week) for the In-Store portion of the Training Program, and \$750 per person for the New Owner Training portion of the Training Program)	2 weeks prior to beginning of training	The training of two individuals is included in the Initial Franchise Fee. The Additional Persons Training Fee is for any additional persons who attend the Training Program.
Additional Training Fee (Note 1)	\$300 per person per day	Prior to attendance	Payable if we require or you request additional training after attending the Training Program.
Assistance provided at your request	Our out-of-pocket expenses and our employees' travel expenses, wages and other expenses (3)	Upon demand	Assistance at your request is at our discretion and is subject to our scheduling and capacity requirements.
Annual Meeting Registration Fee (Notes 1 and 6)	Up to \$1,000 plus incidental costs to attend	60-90 days prior to the Meeting	We will debit your Depository Account for this fee, which is non-refundable. This fee is charged to all franchisees whether or not they attend the Meeting.
Depository Account (Note 4)	\$3,000 (must be replenished on a regular basis)	Signing of Franchise Agreement	
Training Cancellation / Rescheduling Fee	You must pay us our then-current per-day training fee plus travel expenses for each day our on-site trainers are on site but unable to train because you are not ready or must otherwise delay the on-site training.)	Upon demand	You only pay if you or any of your employees cancel or reschedule any scheduled on-site assistance without giving us prior notice.
Information Systems	Our then-current reasonable charges. We have not begun to collect this fee.	Upon demand	We may sell, license or sublicense Information Services provided by us or third parties. We cannot presently estimate the charges.
POS System Annual Warranty Service	\$1,000 to \$2,000 per annum.	Upon demand	You must obtain an annual warranty service plan for the POS System.

Column 1	Column 2	Column 3	Column 4
Type of Fee	Amount	Due Date	Remarks
Brink Par Tech Systems	\$85 to \$200 per month based upon number of terminals/troubleshooting package	Upon demand	Approved Vendor
Data Fees (Note 5)	Up to \$75 per month (Subject to reasonable annual and/or service enhancement increases). We have not yet begun to collect this fee.	Same as Royalty	The fee is based on our costs for providing intranet services and the fee may be periodically adjusted.
Renewal Franchise Fee	50% of the then-current Initial Franchise Fee not including any discounts or reductions	Signing of new Franchise Agreement at renewal	Applicable if you renew your Franchise Agreement.
Gift Card Redemption Fee	11% of the amount of the gift card redemption	On or about the 25th of each month	Fee is charged by us and collected by a third party on our behalf
Transfer Franchise Fee	<p>\$7,500 plus our then-current training fees (and reimbursement of our expenses) if your transferee/assignee must attend our Initial Training Program</p> <p>For Non-Traditional Restaurants that are Pinkberry Vending Machines, \$5,000 plus our then-current training fees (and reimbursement of our expenses) if your transferee/assignee must attend our Initial Training Program</p>	Prior to completion of transfer	Payable if you are purchasing your Franchised Business as a result of a full transfer. A full transfer is including, but not limited to, a transfer of 50% or more ownership or control.
Relocation Fee	\$500	At signing of relocation amendment to Franchise Agreement	Payable if we approve the relocation of your store.
Transfer Training Fee (Note 1)	\$2,500 for two (2) individuals (\$500 for each additional individual)	When transfer documents are signed	Payable if you are purchasing your Franchised Business as a result of a full transfer from another franchisee.
Document Administration Fee	\$500 (Note 8)	As incurred	Applicable if an amendment must be prepared, including for an affiliate transfer

Column 1 Type of Fee	Column 2 Amount	Column 3 Due Date	Column 4 Remarks
Private Offering	The greater of (a) \$5,000(2) or (b) our reasonable costs and expenses associated with reviewing the proposed offering	Upon submission of your request	Only payable if you offer securities in a private offering.
Default Interest (Notes 1 and 2)	\$50 plus interest at 1-1/2% per month or maximum legal rate, if less ("Default Rate")	Payable upon assessment	Payable on all overdue amounts.
Late Report Fee	\$100 per report	Payable upon assessment	Payable if any required financial statement or report is delinquent.
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.
Collection Costs	All collection costs including, but not limited to, reasonable attorneys' fees	Payable upon assessment	Payable only if we are required to retain an attorney or collection agency to collect delinquent payments from you. We will also collect as damages any attorneys' fees and costs incurred by us in defending claims that arise due to your actions as a Pinkberry franchisee.
Non-Sufficient Funds Fee	\$50 for each electronic funds transfer returned for non-sufficient funds; \$25 for each check or draft returned for non-sufficient funds	Payable upon assessment	Payable only if your electronic funds transfer from your Depository Account or any check you remit to us is returned for non-sufficient funds.
Audit (Note1)	Cost of Audit plus interest at Default Rate on underpayments or the maximum rate permissible by law	Payable upon assessment	Payable only if audit is caused by your failure to furnish reports or if audit reveals an understatement of fees or assessment of 5% or more.
New Supplier Approval Fee	A charge not to exceed the reasonable cost of the inspection and the actual cost of the test not to exceed \$5,000.	Payable upon assessment	Payable by either you or the proposed supplier if you request our approval of a new or alternative supplier.

Column 1	Column 2	Column 3	Column 4
Type of Fee	Amount	Due Date	Remarks
Non-Participation Fee	\$100 per day	Payable upon assessment	For failure to participate in local, regional, seasonal, promotional and other programs, initiative and campaigns
Reimbursement of our expenditures	Actual expenditures made on your behalf and our costs and expenses resulting from your default	Upon demand	Payable only if we advance, pay or become obligated to pay sums on your behalf, or if we incur costs (including internal costs) as a result of your default.
Early Termination Damages	The average monthly Royalty and Advertising Fees paid for any consecutive 12 month period within the preceding 48 month period multiplied by the number of months remaining in the term of the Franchise Agreement, and the product is divided by 2.	30 days prior to the early closing of the restaurant	You must provide us with 90 days prior written notice of the termination of your Franchise Agreement.
Management Fee	6% of the Franchised Business' Gross Sales (in addition to the Royalty Fee and Advertising Fee) plus our direct out-of-pocket costs and expenses.	Payable with Royalty and Advertising Fee	If we assume the management of your Franchised Business for any period of time.
On-Line Ordering Program	\$60 per month	Withdrawn electronically from your designated bank account on the 10th day of each calendar month	Includes all online product transactions

Notes:

- (1) All fees are imposed by and are payable to us or our affiliates and are non-refundable. All fees that we currently impose are uniformly imposed by Kahala Franchising; however, Kahala Franchising, in its sole discretion, may reduce or waive a one-time fee (i.e., transfer franchise fee, renewal franchise fee, etc) or may waive or reduce an ongoing fee (i.e, Royalty Fee or Advertising Fees) for a period of time. We may exempt certain franchisees from participation in Co-op Advertising Regions, such as franchisees in non-traditional venues. Upon thirty (30) days' notice by us to you, we may unilaterally increase the Advertising Fee from its current level not to exceed four percent (4%) of your monthly Gross Sales.