

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) 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.

DEFINITIONS

- (a) Average – means the sum of all data points in a set, divided by the number of data points in that set.
- (b) Calendar Gross Sales by Category – means total Gross Sales broken-down based on the following three categories comprising total Gross Sales: (a) Food and Non-Alcoholic Beverages; (b) Alcoholic Beverages; and (c) Merchandise.
- (c) Calendar Year – means, as to each respective year, the 12 month period commencing on January 1 and ending on December 31.
- (d) Company Owned Outlet – means a Restaurant owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document that operates a Restaurant. A Company Owned Outlet also includes any Restaurant that: (i) is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document; (ii) is managed by us our affiliate or any person identified in Item 2.
- (e) Franchise Outlet – means a Shuckin' Shack Restaurant operated under a Franchise Agreement that is not a Company Owned Outlet.
- (f) Gross Sales – means the total revenue derived by each Outlet less only sales tax, discounts, allowances and returns.
- (g) Median - means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing by two.
- (h) Merchandise – means branded apparel and other non-food merchandise sold by an Outlet.
- (i) New Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet and not as an Operational Company Owned Outlet, see definition below. If this Company Owned Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2024 Calendar Year.
- (j) New Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that for the first time

opened and commenced operations during the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet, see definition below. If this Franchise Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2024 Calendar Year.

(k) Operational Company Owned Outlet(s) – means, as to a particular Calendar Year, a Company Owned Outlet that was open and in operation on or prior to the commencement of the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet (see definition above) and not as an Operational Company Owned Outlet. If this Company Owned Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2024 Calendar Year.

(l) Operational Franchise Outlet(s) – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation on or prior to the commencement of the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet (see definition above) and not as an Operational Franchise Outlet. If this Franchise Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2024 Calendar Year.

(m) Outlet – refers to both Company Owned Outlets and Franchise Outlets, as the context requires.

(n) YOY Sales Growth – refers to the year over year calculation of the percentage of growth or decline of Gross Sales. YOY Sales Growth is calculated by comparing the Gross Sales achieved during the reported Calendar to the immediately preceding Calendar Year. For example, YOY Sales Growth for Calendar Year 2023 is calculated by comparing the increase or decrease in Gross Sales measured against the 2022 Calendar Year. As to any particular Calendar Year, if we do not report in this Item 19 the Gross Sales for the immediately preceding Calendar Year we do not calculate or provide YOY Sales Growth and indicate that such calculation is “not applicable.”

BASES AND ASSUMPTIONS

Data for our Company Owned Outlets is based on information reported to us by our affiliates. Data for our Franchise Outlets are based on financial information reported to us by our franchisees. The information in this analysis has not been audited, is based on historical financial data.

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ANALYSIS OF RESULTS OF COMPANY OWNED OUTLETS

We have two Company Owned Outlets. Our 6 N. Lake Park Blvd, Carolina Beach, North Carolina 28428 location was established in November 2007 and operates from an approximate 960 square foot Restaurant with a full service bar. Our 127 N. Front Street, Wilmington, North Carolina 28401 location was established in November 2012 and operates from an approximate 2,700 square foot Restaurant with a full service bar.

Material financial and operational characteristics that are reasonably anticipated to differ from future operational franchise outlets include: (a) managerial skill and efficiency experienced by our Company Owned Outlets as a result of our extensively experienced management team; (b) brand recognition within the local markets in which our Company Owned Outlets operate; and (c) no obligation to pay ongoing monthly fees that a franchisee will pay to us, such as royalties and brand development fund fee.

Below we report select financial performance data as to each Company Owned Outlet during the respective Calendar Years.

Table 1

Company Owned Outlet 1 – Carolina Beach, NC			
Calendar Year Gross Sales			
	2022	2023	2024
Total Gross Sales	\$1,967,818	\$1,999,682	\$1,875,976
YOY Sales Growth	+7.3%	+1.62%	-6.2%
Percentage of Calendar Gross Sales by Category			
Food and Non-Alcoholic Beverages	69.17%	67.1%	68.7%
Alcoholic Beverages	28.84%	30.78%	29.3%
Merchandise	1.99%	2.12%	2.0%

Table 2

Company Owned Outlet 2 – Wilmington, NC			
Calendar Year Gross Sales			
	2022	2023	2024
Total Gross Sales	\$1,573,503	\$1,587,985	\$1,571,044
YOY Sales Growth	+7.7%	+0.92%	-1.1%
Percentage of Calendar Gross Sales by Category			
Food and Non-Alcoholic Beverages	73.07%	71.81%	73.8%
Alcoholic Beverages	26.59%	27.69%	25.8%
Merchandise	0.34%	0.5%	0.4%

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ANALYSIS OF RESULTS OPERATIONAL FRANCHISE OUTLETS

This analysis contains a historic representation of financial data achieved by our Operational Franchise Outlets as to each respective Calendar Year reported below. During the 2022 Calendar Year, we had a total of 14 Operational Franchise Outlets and three New Franchise Outlets. During the 2023 Calendar Year, we had a total of 14 Operational Franchise Outlets and one New Franchise Outlet. We exclude one Franchise Outlet that was closed for a portion of the 2023 Calendar Year and therefore did not qualify as an Operational Franchise Outlet. During the 2024 Calendar Year, we had a total of 16 Operational Franchise Outlets and no New Franchise Outlets. The data provided below is limited to our Operational Franchise Outlets and does not include New Franchise Outlets as to each respective Calendar Year reported below. Below we report select financial performance data as to our Operational Franchise Outlets during the respective Calendar Years.

Table 3

All Operational Franchise Outlets			
Gross Sales	Calendar Year		
	2022	2023	2024
Average	\$1,343,964 ²	\$1,412,664 ⁴	\$1,315,675 ⁶
Median	\$1,233,666 ³	\$1,315,422 ⁵	\$1,141,949 ⁷
High	\$2,726,087	\$2,666,660	\$2,524,245
Low	\$333,106	\$579,524	\$474,212

¹ Data Overview: For 2022, the data compiled in this Table 3 is based on 14 Operational Franchise Outlets. For 2023, the data compiled in this Table 3 is based on 14 Operational Franchise Outlets. For 2024, the data compiled in this Table 3 is based on 16 Operational Franchise Outlets.

² Average 2022: There were six Franchise Outlets above the Average and eight below the Average.

³ Median 2022: There were seven Franchise Outlets above the Median and seven below the Median.

⁴ Average 2023: There were five Franchise Outlets above the Average and nine below the Average.

⁵ Median 2023: There were seven Franchise Outlets above the Median and seven below the Median.

⁶ Average 2024: There were seven Franchise Outlets above the Average and nine below the Average.

⁷ Median 2024: There were eight Franchise Outlets above the Median and eight below the Median.

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Table 4

Operational Franchise Outlets Over 2,000 Square Feet			
Gross Sales Data¹			
	Calendar Year		
Gross Sales	2022	2023	2024
Average	\$1,650,674 ²	\$1,547,747 ⁴	\$1,497,220 ⁶
Median	\$1,445,071 ³	\$1,356,821 ⁵	\$1,334,627 ⁷
High	\$2,726,087	\$2,666,660	\$2,524,245
Low	\$1,000,369	\$876,568	\$924,325

¹ Data Overview: For 2022, the data compiled in this Table 4 is based on 10 Operational Franchise Outlets that each directly operated from a Restaurant that was over 2,000 square feet. For 2023, the data compiled in this Table 4 is based on 12 Operational Franchise Outlets that each directly operated from a Restaurant that was over 2,000 square feet. For 2024, the data compiled in this Table 4 is based on 14 Operational Franchise Outlets that each directly operated from a Restaurant that was over 2,000 square feet.

² Average 2022: There were three Franchise Outlets above the Average and seven below the Average.

³ Median 2022: There were five Franchise Outlets above the Median and five below the Median.

⁴ Average 2023: There were three Franchise Outlets above the Average and nine below the Average.

⁵ Median 2023: There were six Franchise Outlets above the Median and six below the Median.

⁶ Average 2024: There were five Franchise Outlets above the Average and nine below the Average.

⁷ Median 2024: There were six Franchise Outlets above the Median and eight below the Median.

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Table 5

Operational Franchise Outlets Under 2,000 Square Feet			
Gross Sales Data¹			
	Calendar Year		
Gross Sales	2022	2023	2024
Average	\$585,110 ²	\$602,164 ⁴	\$528,977 ⁶
Median	\$602,791 ³	\$602,164 ⁵	\$523,043 ⁷
High	\$801,752	\$624,803	\$589,675
Low	\$333,106	\$579,524	\$474,212

¹ Data Overview: For 2022, the data compiled in this Table 5 is based on four Operational Franchise Outlets that each directly operated from a Restaurant that was under 2,000 square feet. For 2023, the data compiled in this Table 5 is based on two Operational Franchise Outlets that each directly operated from a Restaurant that was under 2,000 square feet. For 2024, the data compiled in this Table 5 is based on three Operational Franchise Outlets that each directly operated from a Restaurant that was under 2,000 square feet.

² Average 2022: There were two Franchise Outlets above the Average and two below the Average.

³ Median 2022: There were two Franchise Outlets above the Median and two below the Median.

⁴ Average 2023: There was one Franchise Outlet above the Average and one below the Average.

⁵ Median 2023: There was one Franchise Outlet above the Median and one below the Median.

⁶ Average 2024: There was one Franchise Outlet above the Average and one below the Average.

⁷ Median 2024: There was one Franchise Outlet above the Median and one below the Median.

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Table 6

All Operational Company Owned and Franchise Outlets Gross Sales Per Square Foot Data¹			
Gross Sales Per Square Foot	Calendar Year		
	2022	2023	2024
Average	\$670 ²	\$654 ⁴	\$602 ⁶
Median	\$497 ³	\$458 ⁵	\$416 ⁷
High	\$2,050	\$2,083	\$1,954
Low	\$185	\$292	\$263

¹ Data Overview: For 2022, the data compiled in this Table 6 is based on all 16 of our Operational Outlets comprised of two Company Owned Outlets and 14 Franchise Outlets. For 2023, the data compiled in this Table 6 is based on all 16 of our Operational Outlets comprised of two Company Owned Outlets and 14 Franchise Outlets. For 2024, the data compiled in this Table 6 is based on all 18 of our Operational Outlets comprised of two Company Owned Outlets and 16 Franchise Outlets.

² Average 2022: There were five Outlets above the Average and ten below the Average.

³ Median 2022: There were seven Outlets above the Median and seven below the Median.

⁴ Average 2023: There were five Outlets above the Average and eleven below the Average.

⁵ Median 2023: There were eight Outlets above the Median and eight below the Median.

⁶ Average 2024: There were five Outlets above the Average and thirteen below the Average.

⁷ Median 2024: There were nine Outlets above the Median and nine below the Median.

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

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

Other than the preceding financial performance representations, Shuckin Shack Franchising LLC does not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. 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 Jonathan Weathington, Shuckin Shack Franchising LLC at 406 N. 3rd Street, Wilmington, North Carolina 28401, 910-707-1120, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2022 to 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	14	17	+3
	2023	17	16	-1
	2024	16	16	0
Company Owned	2022	2	2	0
	2023	2	2	0
	2024	2	2	0
Total Outlets	2022	16	19	+3
	2023	19	18	-1
	2024	18	18	0

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2022 to 2024

State	Year	Number of Transfers
North Carolina	2022	0
	2023	1
	2024	0
Total	2022	0
	2023	1
	2024	0

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