

<b>Provision</b>	<b>Section in Development Rights Agreement</b>	<b>Summary</b>
		intended to disclaim representations made in this disclosure document, its exhibits, and amendments.
(u) Dispute resolution by arbitration or mediation	Not Applicable	The Development Rights Agreement does not contain this provision.
(v) Choice of forum	11	Litigation generally must be in courts closest to where we have our principal business address at time the action is commenced (it currently is in Atlanta, Georgia) (subject to state law).
(w) Choice of law	11	Except for federal law and state non-competition law, Georgia law applies (subject to state law).

**ITEM 18**  
**PUBLIC FIGURES**

We do not use any public figure to promote our 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.

This historical financial performance representation discloses actual average, median, and high/low annual and weekly<sup>1</sup> Gross Sales information during a full annual fiscal period—from

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<sup>1</sup> Average annual Gross Sales for all franchised Mellow Mushroom restaurants are calculated by dividing by 154 the total Gross Sales during the 2025 Measured Period of all 154 franchised restaurants that were open during the entire 2025 Measured Period. Average weekly Gross Sales for all franchised Mellow Mushroom restaurants then are calculated by further dividing average annual Gross Sales by 52. Median average annual and weekly Gross Sales are the middle annual and weekly Gross Sales during the 2025 Measured Period of all 154 franchised restaurants that were open during the entire 2025 Measured Period, with an equal number of restaurants with annual and weekly Gross Sales above and below that figure. The average annual and weekly Gross Sales for both the top 25% performing

September 30, 2024, through September 28, 2025 (the “2025 Measured Period”)—for all 154 franchised Mellow Mushroom restaurants that operated during the entire 2025 Measured Period (all of which are located in the United States).<sup>2</sup> Franchised restaurants are included even if their ownership changed from one franchisee to another franchisee during that time period. This historical financial performance representation also discloses actual average, median, and high/low annual and weekly Gross Sales information during the 2025 Measured Period for the franchised Mellow Mushroom restaurants falling within both the top 25% performing restaurants and the bottom 25% performing restaurants of the 154 franchised Mellow Mushroom restaurants.

We obtained the Gross Sales information for the 2025 Measured Period by directly polling the point-of-sale systems in the franchised restaurants. The 154 franchised restaurants open and operating during the entire 2025 Measured Period whose Gross Sales are reported below are substantially similar to the traditional restaurant franchises we currently offer, and have offered for years, in terms of products and services. They are traditional “brick and mortar,” full-service (i.e., with wait staff) Mellow Mushroom restaurants operated at “free-standing” or in-line locations and have prominent exterior and interior branding. These restaurants average approximately 5,300 square feet in size. As of the end of the 2025 Measured Period, the 154 franchised restaurants had been open for an average of approximately 179 months. The longest-operating restaurant had been open for approximately 397 months, and the shortest-operating restaurant had been open for approximately 12 months as of the end of 2025 Measured Period. All but 2 of the 154 restaurants serve alcoholic beverages (the remaining 2 restaurants serve only beer and wine).

Gross Sales are defined in our Franchise Agreement as the total revenue a franchisee derives from its restaurant during each one-week period from all sales of food, goods, wares, merchandise, and services, whether for cash, check, credit, or otherwise, including sales and services where the orders originate at and are accepted by the franchisee in the restaurant, though delivery or performance is made from or at any other place, or received or billed at or from the restaurant. Gross Sales do not include taxes collected from customers or customer refunds and rebates (and are net of promotions and comps).

Excluded from this financial performance representation are the results of (1) two franchised restaurants that were closed for remodeling for an average of one week during the 2025 Measured Period, and (2) one franchised restaurant that we reacquired during the 2025 Measured Period and therefore was not a franchised restaurant during the entire 2025 Measured Period.

*[Chart begins on next page]*

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restaurants and the bottom 25% performing restaurants of the 154 franchised Mellow Mushroom restaurants are calculated in the same manner but only for the number of restaurants falling within each quartile.

<sup>2</sup> The 2025 Measured Period was a 52-week fiscal year.

Annual and Weekly Gross Sales Information for 2025 Measured Period  
for All 154 Franchised Restaurants

	Annual Gross Sales (\$)	Weekly Gross Sales (\$)
Average	2,681,947	51,576
Median	2,623,325	50,449
High	6,066,962	116,672
Low	991,191	19,061
Total Number of Restaurants	154	154
Number Exceeding Average	73	73
Percentage Exceeding Average	47%	47%

Annual and Weekly Gross Sales Information for 2025 Measured Period  
for Top 25% of 154 Franchised Restaurants

	Annual Gross Sales (\$)	Weekly Gross Sales (\$)
Average	3,812,608	73,319
Median	3,611,602	69,454
High	6,066,962	116,672
Low	3,039,278	58,448
Total Number of Restaurants	38	38
Number Exceeding Average	15	15
Percentage Exceeding Average	39%	39%

Annual and Weekly Gross Sales Information for 2025 Measured Period  
for Bottom 25% of 154 Franchised Restaurants

	Annual Gross Sales (\$)	Weekly Gross Sales (\$)
Average	1,746,520	33,587
Median	1,833,992	35,268
High	2,139,256	41,140
Low	991,191	19,061
Total Number of Restaurants	38	38
Number Exceeding Average	21	21
Percentage Exceeding Average	55%	55%

The Gross Sales numbers reported above for the 2025 Measured Period do not reflect the costs of sales, operating expenses, or other costs or expenses that must be deducted from the weekly Gross Sales figures to obtain your net income or profit. You should independently investigate the costs and expenses you will incur in operating your Mellow Mushroom restaurant. Franchisees or former franchisees, listed in this disclosure document, may be one source of this information.

**Some Mellow Mushroom restaurants have sold this amount. Your individual results may differ. There is no assurance that you'll sell as much.**

Written substantiation of all financial performance information presented in this financial performance representation will be made available to you upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. 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 our management by contacting Michael Clock or Charles Kevin Bridges, 150 Great Southwest Parkway, Atlanta, Georgia 30336, (404) 505-2806, the Federal Trade Commission, and the appropriate state regulatory state agencies.

**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

All year-end numbers appearing in the tables below are as of September 30 for each year. “Company-owned Outlets” are operated by our subsidiaries.

Table No. 1

**Systemwide Outlet Summary**  
**For years 2023 to 2025**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2023	164	158	-6
	2024	158	161	+3
	2025	161	156	-5
Company- Owned	2023	4	3	-1
	2024	3	4	+1
	2025	4	5	+1
Total Outlets	2023	168	161	-7
	2024	161	165	+4
	2025	165	161	-4

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For years 2023 to 2025**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Florida	2023	0
	2024	4
	2025	0