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FRANCHISE DISCLOSURE DOCUMENT

Marco's Franchising, LLC
an Ohio Limited Liability Company
5252 Monroe Street
Toledo, Ohio 43623
800.262.7267
www.marcos.com
www.marcos.com/franchising
www.facebook.com/MarcosPizza
instagram.com/marcospizza/
twitter.com/marcospizza
www.pinterest.com/marcospizza
www.youtube.com/user/marcospizzallc
www.tiktok.com/@marcospizzaofficial
https://www.linkedin.com/company/797519/admin/

You will operate a Marco's Pizza® Store featuring the sale of various sizes and recipes of pizza for dine in, carryout and delivery. Stores also sell, to a much lesser extent, secondary products such as chicken wings, salads, CheezyBread, sandwiches, desserts, and beverages. Depending on your situation, you may not be required to sell these secondary products.

The total investment necessary to begin operation of a Store ranges from $286,727 - $807,152, which includes $63,000 to $129,000 that must be paid to the franchisor or affiliate. If you sign a franchise agreement and open a store pursuant to the conditions of our Equipment Incentive Program, the total investment necessary to begin operation of a Store ranges from $213,727 - $732,152, which includes $63,000 to $129,000 that must be paid to the franchisor or affiliate.

If you are acquiring development rights, we require a commitment to develop at least two Stores. If you sign a Development Agreement, you will pay us a development fee in the amount of $5,000 for each Store that you agree to develop under that agreement, which will be credited toward your initial franchise fees, as described in this disclosure document. If you sign a Development Agreement under our 2025 Royalty Incentive Program, you will pay us the full initial franchise fee for each Store that you agree to develop under that Development Agreement. The total investment necessary to begin operation of your first franchised Marco's Pizza Store under a two-store Development Agreement is from $286,727 - $807,152. This includes $63,000 to $134,000 that must be paid to the franchisor or affiliate(s).

This disclosure document summarizes certain provisions of your franchise agreement and other information in plain English. Read this disclosure document and all accompanying agreements carefully. You must receive this disclosure document at least 14 calendar-days before you sign a binding agreement with, or make any payment to, the franchisor or an affiliate in connection with the proposed franchise sale. **Note, however, that no governmental agency has verified the information contained in this document.**

You may wish to receive your disclosure document in another format that is more convenient for you. To discuss the availability of disclosures in different formats, contact Jaycee Peralta, Corporate Counsel, at 5252 Monroe Street, Toledo, Ohio 43623 (800.262.7267).

The terms of your contract will govern your franchise relationship. Don't rely on the disclosure document alone to understand your contract. Read all of your contract carefully. Show your contract and this disclosure document to an advisor, like a lawyer or an accountant.

Buying a franchise is a complex investment. The information in this disclosure document can help you make up your mind. More information on franchising, such as "A Consumer's Guide to Buying a Franchise," which can help you understand how to use this disclosure document, is available from the Federal Trade Commission. You can contact the FTC at 1-877-FTC-HELP or by writing to the FTC at 600 Pennsylvania Avenue, NW, Washington, D.C. 20580. You can also visit the FTC's home page at www.ftc.gov for additional information. Call your state agency or visit your public library for other sources of information on franchising.

There may also be laws on franchising in your state. Ask your state agencies about them.

Issuance Date: April 30, 2025, as amended October 31, 2025

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How to Use This Franchise Disclosure Document

Here are some questions you may be asking about buying a franchise and tips on how to find more information:

QUESTION	WHERE TO FIND INFORMATION
How much can I earn?	Item 19 may give you information about outlet sales, costs, profits or losses. You should also try to obtain this information from others, like current and former franchisees. You can find their names and contact information in Item 20 or Exhibit K.
How much will I need to invest?	Items 5 and 6 list fees you will be paying to the franchisor or at the franchisor's direction. Item 7 lists the initial investment to open. Item 8 describes the suppliers you must use.
Does the franchisor have the financial ability to provide support to my business?	Item 21 or Exhibit C includes financial statements. Review these statements carefully.
Is the franchise system stable, growing, or shrinking?	Item 20 summarizes the recent history of the number of company-owned and franchised outlets.
Will my business be the only MARCO'S PIZZA business in my area?	Item 12 and the "territory" provisions in the franchise agreement describe whether the franchisor and other franchisees can compete with you.
Does the franchisor have a troubled legal history?	Items 3 and 4 tell you whether the franchisor or its management have been in involved in material litigation or bankruptcy proceedings.
What's it like to be a MARCO'S PIZZA franchisee?	Item 20 or Exhibit K lists current and former franchisees. You can contact them to ask about their experiences.
What else should I know?	These questions are only a few things you should look for. Review all 23 Items and all Exhibits in this disclosure document to better understand this franchise opportunity. See the table of contents.

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What You Need To Know About Franchising *Generally*

Continuing responsibility to pay fees. You may have to pay royalties and other fees even if you are losing money.

Business model can change. The franchise agreement may allow the franchisor to change its manuals and business model without your consent. These changes may require you to make additional investments in your franchise business or may harm your franchise business.

Supplier restrictions. You may have to buy or lease items from the franchisor or a limited group of suppliers the franchisor designates. These items may be more expensive than similar items you could buy on your own.

Operating restrictions. The franchise agreement may prohibit you from operating a similar business during the term of the franchise. There are usually other restrictions. Some examples may include controlling your location, your access to customers, what you sell, how you market, and your hours of operation.

Competition from franchisor. Even if the franchise agreement grants you a territory, the franchisor may have the right to compete with you in your territory.

Renewal. Your franchise agreement may not permit you to renew. Even if it does, you may have to sign a new agreement with different terms and conditions in order to continue to operate your franchise business.

When your franchise ends. The franchise agreement may prohibit you from operating a similar business after your franchise ends even if you still have obligations to your landlord or other creditors.

Some States Require Registration

Your state may have a franchise law, or other law, that requires franchisors to register before offering or selling franchises in the state. Registration does not mean that the state recommends the franchise or has verified the information in this document. To find out if your state has a registration requirement, or to contact your state, use the agency information in Exhibit A.

Your state also may have laws that require special disclosures or amendments be made to your franchise agreement. If so, you should check the State Specific Addenda. See the Table of Contents for the location of the State Specific Addenda.

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Special Risks to Consider About *This* Franchise

Certain states require that the following risk(s) be highlighted:

1. **Out-of-State Dispute Resolution**. The franchise agreement and the area development agreement require you to resolve disputes with the franchisor by mediation and/or litigation only in Ohio. Out-of-state mediation or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to mediate or litigate with the franchisor in Ohio than in your own state.

Certain states may require other risks to be highlighted. Check the "State Specific Addenda" (if any) to see whether your state requires other risks to be highlighted.

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MICHIGAN NOTICE

The State of Michigan prohibits certain unfair provisions that are sometimes in franchise documents. If any of the following provisions are in these franchise documents, the provisions are void and cannot be enforced against you:

(a) A prohibition against you joining an association of franchisees.

(b) A requirement that you assent to a release, assignment, novation, waiver or estoppel which would deprive you of rights and protections provided under the Michigan Franchise Investment Law. This does not preclude you, after entering into a franchise agreement, from settling any and all claims.

(c) A provision that permits the franchisor to terminate your franchise prior to the expiration of its term except for good cause. Good cause includes your failure to comply with any lawful provision of the Franchise Agreement and to cure such failure after being given written notice thereof and a reasonable opportunity, which in no event need be more than 30 days, to cure such failure.

(d) A provision that permits the franchisor to refuse to renew your franchise without fairly compensating you by repurchase or other means for the fair market value at the time of expiration, of your inventory, supplies, equipment, fixtures and furnishings. Personalized materials which have no value to the franchisor and inventory, supplies, equipment, fixtures, and furnishings not reasonably required in the conduct of the franchise business are not subject to compensation. This provision applies only if:

(i) The term of the franchise is less than five years; and

(ii) You are prohibited by the Franchise Agreement or other agreement from continuing to conduct substantially the same business under another trademark, service mark, trade name, logotype, advertising or other commercial symbol in the same area subsequent to the expiration of the franchise or if you do not receive at least six months' advance notice of the franchisor's intent not to renew the franchise.

(e) A provision that permits the franchisor to refuse to renew the franchise on terms generally available to other franchisees of the same class or type under similar circumstances. This provision does not require a renewal provision in the Franchise Agreement or other agreement.

(f) A provision requiring that arbitration or litigation be conducted outside of Michigan. This does not preclude you from entering into an agreement, at the time of the arbitration, to conduct arbitration at a location outside of Michigan.

(g) A provision that permits the franchisor to refuse to permit a transfer of ownership of the franchise, except for good cause. This provision does not prevent the franchisor from exercising a right of first refusal to purchase the franchise. Good cause includes, but is not limited to:

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(i) The failure of the proposed transferee to meet the franchisor's then-current reasonably qualifications or standards.

(ii) The fact that the proposed transferee is a competitor of the franchisor.

(iii) The unwillingness of the proposed transferee to agree in writing to comply with all lawful obligations.

(iv) The failure of the franchisee or proposed transferee to pay any sums owing to the franchisor or to cure any default in the Franchise Agreement existing at the time of the proposed transfer.

(h) A provision that requires you to resell to the franchisor items that are not uniquely identified with the franchisor. This does not prohibit a provision that grants the franchisor a right of first refusal to purchase the assets of a franchise on the same terms and conditions as a bona fide third party willing and able to purchase those assets, nor does it prohibit a provision that grants the franchisor the right to acquire the assets of a franchise for the market or appraised value of such assets if you have breached the lawful provisions of the Franchise Agreement and have failed to cure the breach in the manner provided in (c), above.

(i) A provision which permits the franchisor to directly or indirectly convey, assign, or otherwise transfer its obligations to fulfill contractual obligations to you unless provision has been made for providing the required contractual services.

The fact that there is a notice of this offering on file with the Attorney General does not constitute approval, recommendation, or endorsement by the Attorney General.

Any questions concerning this notice should be directed to the Michigan Department of Attorney General, Consumer Protection Division, Franchise Section, 525 W. Ottawa Street, G. Mennen Williams Building, 1st Floor, Lansing, Michigan 48913, (517) 373-7117.

(ii) Additionally, the following applies to offers in Michigan:

No statement, questionnaire, or acknowledgment signed or agreed to by a franchisee in connection with the commencement of the franchise relationship shall have the effect of (i) waiving any claims under any applicable state franchise law, including fraud in the inducement, or (ii) disclaiming reliance on any statement made by any franchisor, franchise seller, or other person acting on behalf of the franchisor. This provision supersedes any other term of any document executed in connection with the franchise.

NOTE: NOTWITHSTANDING PARAGRAPH (F) ABOVE, WE INTEND TO, AND YOU AGREE THAT WE AND YOU WILL, ENFORCE FULLY THE PROVISIONS OF THE MEDIATION SECTION OF OUR AGREEMENTS.

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Exhibits:

A	List of State Franchise Administrators	H	Marco's Pizza Standard Lease Rider
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C	Financial Statements	J	Franchisee Certification
D	Form of Development Agreement	K	List of Franchisees and Company-Owned Stores
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ITEM 1
THE FRANCHISOR, AND ANY PARENT, PREDECESSORS, AND AFFILIATES

To simplify the language in this Disclosure Document, ("Marco's", "us", "our" or "we") means Marco's Franchising, LLC, the franchisor. "You" means the person or legal entity who buys the franchise. If you are a corporation, partnership, or limited liability company, certain provisions of this Disclosure Document also apply to your owners and will be noted.

We are an Ohio limited liability company. We maintain our principal place of business at 5252 Monroe Street, Toledo, Ohio 43623. We do not maintain sales offices at any location other than our principal place of business. We do business under the names Marco's® and Marco's Pizza®.

We engage in only one line of business: the offering of Marco's Pizza Stores through the Franchise Agreement and the Development Agreement (described below). This disclosure document contains information for the offer of Store franchises, and the terms of the Franchise Agreement and Development Agreement.

We have offered franchises for Stores since January 2004. We previously offered franchises for Area Representative Businesses under a separate disclosure document. We do not currently offer franchises in any other line of business.

We do not operate businesses of the type described in this disclosure document, but our affiliates operate 39 Stores in Ohio, 5 Stores in Idaho, and 1 Store in Michigan.

A list of our agents for service of process is attached as Exhibit B to this Disclosure Document.

Our Parent and Predecessors

We are a direct wholly-owned subsidiary of Marco's Pizza Holdings, LLC ("MPH"), a Delaware limited liability company, which was formed on May 25, 2017. MPH formed a wholly-owned subsidiary, Boise Marco's, LLC, which currently owns five Stores in Idaho. MPH maintains its principal place of business at 6597 Nicholas Blvd., Cap Ferrat, PH 11, Naples, Florida 34108.

We were founded by Pasquale Giammarco (the "Founder"), who currently operates 14 Stores in Ohio and 1 Store in Collier County, Florida. The Founder also owns the right to develop additional Stores in: (a) Lucas County, Ohio (and within 7 miles of Lucas County); (b) a portion of Lorain County, Ohio; and (c) Collier County, Florida (and within 10 miles of Collier County).

Our Affiliates

MP Marks, LLC ("MP MARKS"), a Delaware limited liability company, is the affiliate of our parent entity MPH by virtue of common ownership and was formed on November 12, 2015. MP MARKS maintains its principal place of business at 6597 Nicholas Blvd, Cap

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Ferrat, PH 11, Naples, Florida 34108. On December 28, 2015, MP MARKS acquired all ownership and rights to intellectual property held by Marco's, and each of the domestic and international registrations for our trademarks, service marks, logos, trade names, and associated goodwill. By agreement between MP MARKS and Marco's, MP MARKS licenses those trademarks, service marks, trade names and logos to us for use in the Marco's Pizza system, which we further license to you, other franchisees and others, including vendors and suppliers to the System (defined below).

Marco's National Advertising Fund, Inc. ("MNAF"), a Florida non-profit corporation which maintains its principal place of business at 6597 Nicholas Blvd, Cap Ferrat, PH 11, Naples, Florida 34108, is affiliated with us for the administration of the collections and expenditures of the National Advertising Fund. See Item 11. We also provide services to MNAF relating to the administration of those advertising funds.

Marco's Advertising Funds, Inc. ("MADF"), a Florida non-profit corporation which maintains its principal place of business at 6597 Nicholas Blvd, Cap Ferrat, PH 11, Naples, Florida 34108, is affiliated with us for the administration of the collections and expenditures of the Regional Advertising Funds, the Brand Launch funds, and other contributions by franchisees specifically for conducting marketing activities for the System and on the franchisees' behalf. See Item 11. We also provide services to MADF relating to the administration of those advertising funds.

MP AR Resources, LLC ("MPAR") is a Delaware limited liability company which maintains its principal place of business at 6597 Nicholas Blvd, Cap Ferrat, PH 11, Naples, Florida 34108. MPAR serves as an Area Representative to some franchisees in select markets, providing them with franchisee support for new store development and operation of their franchised stores.

Marco's Pizza Distribution, LLC ("MPD") is affiliated with us by virtue of common ownership, but we do not own any part of the company. MPD was formed on March 23, 2009, to distribute food, packaging, equipment, cleaning and maintenance supplies to Marco's Pizza stores in the Ohio, Michigan and Indiana area. Certain of our executives, including our co-CEO, John Butorac, serve in executive roles with MPD. John Butorac also indirectly owns an interest in MPD through a trust. MPD is headquartered at 1435B Holland Rd., Maumee, Ohio 43537.

Marco's Technology Services, LLC ("MTS") is a Delaware limited liability company wholly owned by MPH and maintains its principal place of business at 6597 Nicholas Blvd., Cap Ferrat, PH 11, Naples, Florida 34108. MTS provides certain technology-related products and services to us and our franchisees for use in the System. See Item 11. We provide administrative and other management services to MTS.

The Marco's Pizza Foundation ("MPF") is a Delaware corporation, which maintains its principal place of business at 5252 Monroe St., 2nd Floor, Toledo, OH 43623. It was organized to exclusively operate for charitable purposes and is designated under the Internal Revenue Code as a 501(c)(3) charitable organization. MPF focuses on school

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and education, hunger prevention and nutrition, workforce development and entrepreneurship, raising funds to support the communities that Marco's Pizza serves.

With the exception of MPD, MPH, Boise Marco's, MP MARKS, MNAF, MADF, MTS, and MPAR, all of our affiliates are based at 5252 Monroe Street, Toledo, Ohio 43623. None of our affiliates have ever offered franchises for sale.

Except as described above, neither we nor any affiliate has ever engaged in, or offered franchises in, any other lines of business.

The Franchise Offered

Marco's Pizza Stores are characterized by our system (the "System"). Some of the features of the System include specially-developed equipment, equipment layouts, signage, distinctive interior and exterior design and accessories; products; procedures for operations; quality and uniformity of products and services offered; procedures for management and inventory control; training and assistance; and advertising and promotional programs. We may periodically change and improve the System to conform to our needs and business goals.

Marco's Pizza Stores operate in a building that bears our trade dress (interior, exterior, or both). A Marco's Pizza Store makes and sells various sizes and recipes of pizza for carryout, delivery, in-store dining, and catering. Stores also sell, to a much lesser extent, secondary products such as beverages, salads, CheezyBread, hot and cold sandwiches, Pizzolis, chicken wings, and desserts (together, all of these items are referred to as the "Approved Products and Services"). Depending on your situation, you may not be required to sell these secondary products (for example, if the landlord does not permit you to offer the entire range of Approved Products and Services; we will work with you to make mutually-acceptable adaptations to your list of offerings). Stores are required to offer both customer pick-up, delivery service, catering and may be authorized to offer fast casual type dine-in services.

We offer franchises for MARCO'S PIZZA stores (each a "Store"), which offer pizza and other menu items primarily for takeout and delivery. A MARCO'S PIZZA Store typically occupies 1,200 to 1,600 square feet of commercial space. You will operate the Store at a location that we have authorized, and that is designed and decorated to meet our operational and image specifications (including the use of our trade dress, trademark, and design).

You must operate your Store in accordance with our standards and procedures, which we will provide in printed or digital format materials, including our Confidential Operating Manuals (the "Manual"). We will lend you an electronic copy of the Manual for the duration of the Franchise Agreement. In addition, we will grant you the right to use our marks, including the mark "Marco's Pizza" and any other trade names and marks that we designate in writing for use with the System (the "Marks").

Franchise Agreement. We offer qualified persons and legal entities that wish to establish and operate a Store (a "Franchisee") the right to enter into a franchise agreement

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("Franchise Agreement"). Under a Franchise Agreement, we will grant you the right to operate a Store at a location authorized by us (the "Permitted Location"), and you will accept the obligation to operate that Store in full compliance under the terms of the Franchise Agreement. Our current form of Franchise Agreement is attached to this Disclosure Document as Exhibit E.

Development Agreement. We offer to certain qualified persons and legal entities (a "Developer") the right to develop an agreed-upon number of Stores within a specific geographic area ("Development Area") under our Development Agreement (the "Development Agreement"). Under a Development Agreement, you will be required to establish an agreed-upon number of Stores within the Development Area, at specific locations authorized by us (to be specified in separate Franchise Agreements) as explained below. An important part of the Development Agreement is a development schedule (also called a "Development Schedule"), which establishes the number of Stores that you must have open and operating by certain established dates. You must meet our multi-unit development criteria and receive prior approval from us for each Store within the Development Area prior to its development. When you begin developing a Store, you will sign the form of Franchise Agreement that we are offering to new franchisees at that time, which may be materially different from, and have different terms than, the form of Franchise Agreement attached to the Disclosure Document as Exhibit E. Our current form of Development Agreement is attached to this Disclosure Document as Exhibit D.

Area Representative Business. In some areas, we utilize a relationship with parties known as Area Representatives within a defined territory. For those areas, our Area Representatives will solicit, screen, and evaluate prospective franchisees, and train, support and service franchisees who have entered into a Franchise Agreement with us. Area Representatives provide training and assistance to our franchisees in some areas of the country.

Test Concepts. Some franchisees may be granted the opportunity to participate in test programs for non-traditional unit concepts being evaluated by us. Our test programs currently include an opportunity to offer delivery services associated with an online ordering system or mobile application where orders are fulfilled from a commercial or shared-use kitchen. Such opportunities are by invitation only based on several factors, including but not limited to the franchisee's geographic location, overall business experience, operating experience within the Marco's Pizza system, and available capitalization/funding resources.

Competition. Stores compete with locally-owned businesses, as well as with national and regional chains that offer pizza carryout and delivery services and related products, and which may compete with the products offered at a Store. Pizza restaurants compete aggressively based on many factors, such as price, service, store location, product quality, and store promotions and marketing programs.

Industry-Specific Regulations. We know of no trade or license regulations that specifically affect only the pizza industry apart from other segments of the food service industry.

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However, you will be required to comply with the FDA nutrition and calorie labeling rule regarding the posting of calorie information for pizza and other food items on menus, menu boards, and for online ordering as well. You will also need to comply with FTC rules regarding any local store marketing, and comply with other regulations such as Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003 (CAN SPAM Act) with respect to any consumer solicitations (e.g., text, phone or email) and various privacy laws that may apply to your business. You will also be required to maintain compliance with Payment Card Industry Data Security Standards (PCI DSS) related to the processing of credit card payments at your store location. You also must comply with all local, state, and federal laws that apply to your restaurant operations, including, for example, health, sanitation, non-smoking, EEOC, OSHA, discrimination, labor and employment, FLSA, and sexual harassment laws. The Americans with Disability Act of 1990 requires readily accessible accommodation for disabled persons and therefore may affect your building construction, site elements, entrance ramps, doors, seating, bathrooms, drinking facilities, etc. For example, you must obtain real estate permits (e.g., zoning), real estate licenses, and operational licenses. There are also regulations that pertain to sanitation, menu labeling requirements, food preparation, food handling, and food service. Employees may need food-handler licenses. Many municipalities regulate the use of restaurant grease traps for cooking and require special sewer hook-ups for restaurants. Regulations vary widely from place to place, and you will have to comply with all applicable federal, state, and local laws and regulations in connection with the operation of your restaurant. You should consult with your attorney concerning those and other local laws and ordinances that may affect your restaurant's operation.

ITEM 2
BUSINESS EXPERIENCE

Manager and Co-Chief Executive Officer: John (Jack) A. Butorac, Jr.

John A. Butorac, Jr. has been our Co-Chief Executive Officer since January 2021. He previously served as our Chief Executive Officer from April 2014 to December 2020, and as our President from January 2004 to April 2014. He is also our sole "manager", as that term is used in the Ohio limited liability company statutes. Mr. Butorac also serves as President and CEO of each of our affiliates.

Co-Chief Executive Officer and President: Anthony (Tony) Libardi

Tony Libardi has been our Co-Chief Executive Officer and President since January 2021, and previously served as our President and Chief Operating Officer from December 2017 to December 2020. Mr. Libardi was previously our Executive Vice President of Operations and Chief Operating Officer from October 2016 to December 2017. Mr. Libardi is also a Board Member of The Marco's Pizza Foundation.

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Executive Vice President and Chief Financial Officer: Jeffrey Rager

Jeffrey Rager was our Vice President and Chief Financial Officer since February 2019 until June 13, 2022, when he was promoted to his current position. From July 2014 to February 2019, he was the Chief Financial Officer for Granite City Food & Brewery, Inc. in Minneapolis, Minnesota.

Executive Vice President and Chief Operating Officer: John Meyers

John has been with Marco's since January 2020, serving as Vice President of Finance and Business Intelligence. He was promoted to Senior Vice President of Finance and Business Intelligence in 2022, and was promoted to Executive Vice President and Chief Operating Officer in March 2024.

Executive Vice President and Chief Growth Officer: Stephen Seyferth

Stephen Seyferth has been our Chief Experience Officer since December 2019. He was our Vice President/Chief Marketing Officer from March 2017 to December 2019. He was promoted to Executive Vice President and Chief Experience Officer on September 20, 2022. In April 2023, he became our Chief Growth Officer.

Senior Vice President and Chief Development Officer: Gerardo Flores

Gerardo Flores has been our Sr. Vice President and Chief Development Officer since September 2022. From January 2022 to September 2022, he served as the Vice President of Real Estate for Tropical Smoothie Cafe in Atlanta, Georgia. From March 2012 to October 2021 he served as the Vice President of Real Estate for Jersey Mike's Subs in Manasquan, New Jersey.

Senior Vice President and Chief People Officer: Roderick Sanders

Roderick Sanders has been our Vice President and Chief Performance Officer since December 2019. He was promoted to his current position on January 1, 2022. He was our Vice President of Talent Management from February 2018 to December 2019, and previously served as our Senior Director of Learning and Development from January 2015 to February 2018. Roderick Sanders is also the Vice President of The Marco's Pizza Foundation.

Vice President of Franchisee Relations: Marie Brown

Marie Brown became Vice President of Franchisee Relations and Marketing Planning in July 2020 and has served in her current position since May 31, 2021. She previously served as our Vice President of Field Marketing from February 2019 to July 2020.

Senior Vice President and Chief Legal Counsel: Kristin Corcoran

Kristin Corcoran has been our Senior Vice President and Chief Legal Counsel since March 1, 2024. Previously, she served as our Vice President of Corporate Counsel since

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November 2022. Prior to joining Marco's, she was Senior Associate General Counsel in Milford, CT at the franchisor of Subway restaurants from 1995 until May of 2020. She then co-founded and was a partner at the business and franchise law practice of Appleby & Corcoran, LLC in North Haven, CT from August of 2020 to August of 2022 and then was Of Counsel at the law firm of DLA Piper North America in its D.C. office.

Vice President of Supply Chain: Cathy Kinzer Brotzki

Cathy Kinzer Brotzki has been our Vice President of Supply Chain since January 1, 2024. Cathy joined us as the Director of Purchasing in November 2015. She then served as the Associate Vice President of Purchasing and Quality Assurance from October of 2021.

ITEM 3
LITIGATION

Pending Actions

American Eagle Investments, Inc. v. Marco's Franchising, LLC, Court of Common Pleas, Lucas County, Ohio, Case No. G-4801-CI-0202201831 (filed March 22, 2022) (formerly Case No. G-4801-CI-0202003149, filed September 24, 2020). This lawsuit was originally filed against us by a now former area representative, alleging it was injured when we declared a default of the area representative agreement for the territory surrounding Columbus, Georgia based on Plaintiff's principals failing to devote full time and best efforts to the area representative business as required under the agreement, due to the principals entering into an area representative agreement with another franchise system. The complaint sought a declaratory judgment that Plaintiff was in full compliance with the agreement, claimed we violated Ohio Business Opportunities Act, and sought damages and attorney's fees. Plaintiff filed a motion for preliminary injunction seeking to prevent us from terminating the area representative agreement based on the asserted non-compliance. Plaintiff filed a temporary restraining order, seeking to restrict us from terminating the agreement based on the asserted default until the court's ruling on the motion for preliminary injunction. The parties stipulated to a temporary stay of termination. After a hearing, the Ohio state court, on October 19, 2020, denied Plaintiff's motion for preliminary injunction, finding Plaintiff failed to demonstrate a likelihood of success on the claim that our actions were improper. We terminated the area representative agreement. We filed a motion for summary judgment on September 10, 2021, and Plaintiff voluntarily dismissed all claims on November 19, 2021, but re-filed its lawsuit on March 22, 2022 under a unique Ohio Statute tolling all limitation periods for one (1) year following a dismissal, alleging only claims for declaratory judgment and breach of contract upon the same allegations set forth in the original action. The Court set a schedule for additional discovery, but Plaintiffs failed to undertake any significant new discovery and the discovery period closed on February 21, 2023. We refiled a motion for summary judgment that the Court granted on July 11, 2023.

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Plaintiff appealed the summary judgment to the Sixth District Court of Appeals of Ohio for Lucas County. On August 9, 2024, the court of appeals reversed the summary judgment order and remanded the case to the Court of Common Pleas for further proceedings.

KAM Development, LLC v. Marco's Franchising, LLC, United States District Court for the Northern District of Ohio, Western Division, as Case No. 3:20-cv-02024 (filed September 9, 2020). This lawsuit was filed by a former area representative, alleging injury from our refusal to renew the expiring area representative agreement for the territory surrounding Columbia, SC (the "Columbia ARA") based on non-compliance with contractual obligations, including the failure to meet store development obligations, failure to comply with our system standards, processes, and procedures, and failing to devote full time and best efforts to the area representative business, caused by the two principals of the area representative entering into an area representative agreement with another franchise system. Plaintiff amended its complaint to add claims based on our having issued a default notice under the area representative agreement for the territory surrounding Charlotte, NC (the "Charlotte ARA") based on similar non-compliance issues. The amended complaint sought a declaratory judgment that Plaintiff was in compliance with its agreements, and we were in breach of contract and had violated the Ohio Business Opportunities Act, and additionally, sought a declaratory judgment that our actions in not renewing and defaulting the Charlotte ARA were improper, that we breached the two agreements, and sought damages and attorney's fees. On September 11, 2020, the court entered a temporary restraining order pending a hearing on Plaintiff's motion for preliminary injunction.

On October 20, 2020, after a preliminary injunction hearing, the court denied Plaintiff's motion for preliminary injunction, determining that Plaintiff failed to show it had complied with its development obligations under the Charlotte ARA, which breach made Plaintiff ineligible for a renewal of the Columbia ARA. After entry of the October 20 order, we terminated the Charlotte ARA and enforced the expiration of the Columbia ARA (which had expired by its own terms). A court-ordered mediation/settlement conference reached an impasse with no resolution.

On April 30, 2021, Plaintiff filed its Second Amended Complaint alleging claims only for breach of contract based on the non-renewal of the Columbia ARA and the termination of the Charlotte ARA. On September 24, 2021, we filed a motion for summary judgment on both claims based on Plaintiff's failure to meet its development obligations for the Charlotte ARA. In May 2023, the court entered an order granting in part our motion for summary judgment ruling that the Plaintiff's claims under the Charlotte ARA and Columbia ARA failed, leaving only one claim related to an alleged amendment by course of conduct. The parties and the court are complying with scheduling orders for filing further motions, the case remains pending, and no trial date has been set.

Franchisor Initiated Actions:

MFLLC and MPDLLC v. J&J ZA 3, LLC and James and Jemece Millar, Court of Common Pleas, Lucas County, Ohio, Case No. G-4801-CI-0202402881-000 (filed June 26, 2024). We filed a collection action against a former franchisee, and MFLLC obtained a

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default judgment in the amount of $121,969.00, plus interest, costs, expenses, and attorney's fees, and MPD obtained a default judgment in the amount of $12,937.75, plus interest, costs, expenses, and attorney's fees.

MFLLC and MPDLLC v. J&J ZA 2, LLC and James and Jemece Millar, Court of Common Pleas, Lucas County, Ohio, Case No. G-4801-CI-0202402883-000 (filed June 26, 2024). We filed a collection action against a former franchisee, and MFLLC obtained a default judgment in the amount of $23,092.00, plus interest, costs, expenses, and attorney's fees, and MPD obtained a default judgment in the amount of $4,994.56, plus interest, costs, expenses, and attorney's fees.

MFLLC v. FirstSlice, LLC, Bradley Davis, and Russell Smith, Court of Common Pleas, Lucas County, Ohio, Case No. G-4801-CI-0202402891-000 (filed June 26, 2024). We filed a collection action against a former franchisee. After Bradley Davis filed bankruptcy, he was dismissed, as was the company. The case remains pending against Russell Smith.

MFLLC v. SecondSlice, LLC, Bradley Davis, and Russell Smith, Court of Common Pleas, Lucas County, Ohio, Case No. G-4801-CI-0202402894-000 (filed June 26, 2024). We filed a collection action against a former franchisee. After Bradley Davis filed bankruptcy, he was dismissed, as was the company. The case remains pending against Russell Smith.

MFLLC v. ThirdSlice, LLC, Bradley Davis, and Russell Smith, Court of Common Pleas, Lucas County, Ohio, Case No. G-4801-CI-0202402895-000 (filed June 26, 2024). We filed a collection action against a former franchisee. After Bradley Davis filed bankruptcy, he was dismissed, as was the company. The case remains pending against Russell Smith.

MFLLC v. SeventhSlice, LLC, Bradley Davis, and Russell Smith, Court of Common Pleas, Lucas County, Ohio, Case No. G-4801-CI-0202402897-000 (filed June 26, 2024). We filed a collection action against a former franchisee. After Bradley Davis filed bankruptcy, he was dismissed, as was the company. The case remains pending against Russell Smith.

MFLLC v. SeventhSlice, LLC, Bradley Davis, and Russell Smith, Court of Common Pleas, Lucas County, Ohio, Case No. G-4801-CI-0202402898-000 (filed June 26, 2024). We filed a collection action against a former franchisee. After Bradley Davis filed bankruptcy, he was dismissed, as was the company. The case remains pending against Russell Smith.

MFLLC v. NinthSlice, LLC and Bradley Davis, Court of Common Pleas, Lucas County, Ohio, Case No. G-4801-CI-0202402900-000 (filed June 26, 2024). We filed a collection action against a former franchisee. After Bradley Davis filed bankruptcy, he was dismissed, as was the company.

MFLLC v. Magnifico Pizza, LLC and Bradley and Lyndsey Davis, Court of Common Pleas, Lucas County, Ohio, Case No. G-4801-CI-0202402896-000 (filed June 26, 2024). We

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filed a collection action against a former franchisee. After Bradley and Lyndsey Davis filed bankruptcy, they were dismissed. A default judgment was obtained against the company in the amount of $32,054.71, plus interest.

MFLLC v. Slice By Slice Inc. and David Hargett, Jr., Court of Common Pleas, Lucas County, Ohio, Case No. G-4801-CI-0202403923-000 (filed September 25, 2004). We filed a collection action against a former franchisee. After David Hargett, Jr. filed bankruptcy, he was dismissed. The case remains pending against MFLLC.

MFLLC v. Slice N Dice, Inc. and Charles Robinson, Jr., American Arbitration Association Case Number: 01-24-0004-2953 (initiated April 4, 2024). We initiated collection proceedings in arbitration against a former franchisee, and obtained an award in the amount of $57,860.39.

MFLLC v. Naples Bay Enterprises, LLC and Thomas DeNicola, American Arbitration Association Case Number: 01-24-0004-2933 (initiated April 4, 2024). We initiated collection proceedings in arbitration against a former franchisee, and voluntarily withdrew same on April 24, 2024.

Prior Actions

Cajunland Pizza, LLC, Ole Tyme Pizza, LLC, Crescent City Pizza, LLC, Partners Pizza, LLC, SELA Pizza #1, LLC and SELA Pizza #2, LLC, vs. Marco's Franchising, LLC, Marco's Pizza Holdings, LLC, and Tony Libardi, originally filed in the United States District Court for the Eastern District of Louisiana as Case No. 19-CV-10366 G(3) (filed May 14, 2019), then transferred to the United States District Court for the Northern District of Ohio as Case No. 3:20-CV-00536-JGC. This lawsuit was filed against us, our affiliate, and our President & Chief Operating Officer Tony Libardi, by five former franchisees and one former area representative. Plaintiffs alleged we violated the state deceptive trade practices statute and tortiously interfered when we refused to consent to the proposed transfer to a proposed buyer of five franchise agreements and Marco's Pizza restaurants owned by Plaintiffs. On February 12, 2021, plaintiffs filed their amended and supplemental complaint, and, on April 6, 2021, a proposed second amended complaint, alleging claims under the Ohio Business Opportunity Protection Act (BOPA), alleging misrepresentation and omissions in the Franchise Disclosure Documents given to the plaintiffs between 2010 and 2012; under the Ohio Deceptive Trade Practices Act, for common law deceptive trade practices, for tortious interference, and also a breach of contract claim by the former area representative. The court granted our motions to dismiss the amended and supplemental complaint and proposed second amended complaint, but again gave plaintiffs leave to amend. On August 30, 2021, a third amended complaint was filed only by the five franchisee Plaintiffs and only against us alleging claims for breach of contract and a claim under BOPA. No claims were made against our affiliate or Mr. Libardi. The court then granted our motion to dismiss the BOPA claim with prejudice. On January 14, 2022, we filed an answer and affirmative defenses to the breach of contract claims and filed a counterclaim against the former area representative, the five Plaintiffs, and their principals based on personal guarantees. One Plaintiff then withdrew all its claims.

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In August 2022 the court ruled as part of our counterclaim we are entitled to recover our reasonable attorney's fees and costs for having defended against Plaintiff's two statutory claims under Ohio law. In 2023, we filed a motion to determine the amount of fees and costs we are entitled to for defending the dismissed statutory claims, and in orders entered on March 8 and May 23, 2024, the court awarded us $62,818 in fees and costs incurred in defending the dismissed claims.

On November 29, 2024, the parties settled their dispute whereby we paid $310,000 (via the insurance carrier) to Plaintiffs and Plaintiffs dropped their appeal and paid us $63,644.90 for the fee award plus post-judgment interest. The parties exchanged mutual releases of all claims and mutually dismissed the lawsuit with prejudice on December 6, 2024.

SC America, LLC v. Marco's Franchising, LLC, originally filed in Circuit Court of Calhoun County, Alabama (CV-2022-900192.00) on May 6, 2022, was removed to U.S. District Court for the Northern District of Alabama on May 11, 2022 (Case no. 1:22-cv-00610-RDP), and transferred on June 1, 2022 to the United States District Court for the District of Ohio (3:22-cv-00919-JZ). On May 6, 2022, Plaintiff, a former franchisee of ours, filed suit against us in the Circuit Court of Calhoun County, Alabama, seeking a declaratory judgment and a temporary restraining order to prevent us from exercising certain post-termination step-in rights under the Franchise Agreement. On May 11, 2022, we removed the action to federal court, and our subsequent motion to transfer to the venue provided for in the Franchise Agreement was granted. After the case had been transferred, Plaintiff filed an amended complaint for breach of contract and breach of the implied covenant of good faith and fair dealing based on the allegation that we declined to approve the franchisee's requested transfer and later terminated the franchisee's Franchise Agreement based on uncured operational defaults. We moved to dismiss the franchisee's claims based on prior releases the franchisee had signed, but the court denied the motion to dismiss concluding that the scope of the release involve questions of fact that could not be resolved on a motion to dismiss. We filed an answer denying the franchisee's allegations and a counterclaim against the franchisee and its owner/guarantor for breach of contract, tortious interference and specific performance based on the franchisee's failure to pay liquidated damages and interference with our step-in rights under the terminated Franchise Agreement. On July 14, 2023, the parties settled their dispute whereby we were paid $100,000 (via the insurance carrier) in satisfaction of our claims against the franchisee and its guarantor; we agreed to purchase the franchisee's equipment for $37,500; and Plaintiff warranted that it had complied with its non-compete obligations which we deemed satisfied as of July 14, 2023. The parties mutually dismissed the lawsuit with prejudice on August 8, 2023.

Except for the actions described above, no litigation is required to be disclosed in this Item.

ITEM 4
BANKRUPTCY

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

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ITEM 5
INITIAL FEES

Initial Franchise Fee - Single Store Franchise Agreement.

When you sign the Franchise Agreement, you will pay us an Initial Franchise Fee. Except for the differences described below, the initial franchise fee is uniform for all new franchisees. Some of our existing franchisees, however, have the right to develop additional Stores under existing agreements and on different terms. The Initial Franchise Fee is due in full when you sign the Franchise Agreement. If there is a credit available from your Development Fee (as described below), then that credit will be applied to reduce your Initial Franchise Fee payment. The Initial Franchise Fee is fully earned when paid, must be paid in one lump-sum amount, excluding any required deposits, and is not refundable.

The Initial Franchise Fee for a single Store is $25,000 but may be discounted or waived if you qualify for and meet the obligations of one of our promotional incentives described below. Also, we reserve the right to negotiate the Franchise Fee with prospective franchisees in the future and may base such negotiations on a number of factors, including but not limited to previous experience, prior relationship with us, the number of Franchise Agreements granted, local market conditions, and other factors that we in our sole discretion may determine. In 2024, we collected Initial Franchise Fees ranging from $1,000[1] to $25,000.

Promotional incentive discounts cannot be combined or transferred.

- **First Responders**: We currently discount the Initial Franchise Fee to $20,000 for qualified first responders (firefighters, paramedics, law enforcement officers, and other positions as we may determine) with 5 or more years of service. If the franchisee is a corporation, partnership, limited liability company, or other legal entity, the first responder participant must maintain at least 51% ownership interest in the entity to qualify for this discount.

- **Military Service**: We currently discount the Initial Franchise Fee as follows:

  - $15,000 for qualified U.S. veterans; and
  - Initial Franchise Fee waived in its entirety for qualified US veterans with a 50% or more military service-connected disability rating.

  The military discounts are available to veterans who have received a discharge (other than dishonorable) as well as any active-duty personnel. If the franchisee is a corporation, partnership, limited liability company, or other legal entity, the veteran participant must maintain at least 51% ownership interest in the entity to qualify for

[1] This Initial Franchise Fee amount was offered to an existing franchisee who purchased a new franchise agreement to reopen a closed Store.

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this discount. To apply for the discount, you must provide us a copy of form DD-214, reflecting your military status, before the Franchise Agreement is signed.

- **Key Management Employees**: We currently discount the Initial Franchise Fee for qualified "Key Management Employees." There are three levels of available discounts:
  - Level 1 (Director position or above for at least 1 year or 5 years of employment in all other positions, Initial Franchise Fee is 60% of the standard Initial Franchise Fee);
  - Level 2 (Director position or above for at least 5 years or 10 years of employment in all other positions, Initial Franchise Fee is $10,000); and
  - Level 3 (20 years of employment, any position, Initial Franchise Fee is $5,000).

  The participant must meet our financial and creditworthiness criteria. If the franchisee is a corporation, partnership, limited liability company, or other legal entity, the qualifying participant must maintain at least 51% ownership in the entity to qualify for this program, and the franchisee must comply with program requirements.

Equipment Incentive Program. The Equipment Incentive Program is being offered only to existing franchisees that own and operate at least one open Store as of the Issuance Date until the next issuance date or April 30, 2026, whichever is earlier, or until up to fifty (50) Franchise Agreements are awarded under the Equipment Incentive Program, whichever comes first. Franchisor reserves the right to discontinue offering the Equipment Incentive Program at any time in its sole discretion and judgment. Non-traditional venues are not eligible for the Equipment Incentive Program. For participants that qualify for and wish to participate in the Equipment Incentive Program, the Initial Franchise Fee for each store purchased under the Equipment Incentive Program will be waived. In addition, we will pay up to $75,000 directly to our affiliate, MPD, toward the base cost of certain initial equipment purchases required to open your Store (not including freight, installation, insurance, tax, warranties, or other ancillary costs). You will be responsible for any costs above this amount for any additional equipment required for the Store, as well as all shipping, installation, and related costs related to or arising out of the purchase of the equipment listed as included in the Equipment Incentive Program (see Item 7). Franchisor will make this payment directly to MPD; this offer has no cash value and is non-transferable. You will not receive a cash payment, credit, or reimbursement, and any difference in the amount of the equipment order and $75,000.00 shall be borne by you. In addition to other requirements of the Equipment Incentive Program, to remain qualified for the Equipment Incentive Program, you must order the Equipment Incentive Program equipment by October 1, 2026 and open and operate the Store by December 27, 2026.

Other requirements include: you must be an existing franchisee in the System with at least one Store open and in operation and meet our financial, creditworthiness, and operational criteria and be approved by us in order to qualify for the Equipment Incentive

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