

ORDER CONDITIONS

Scoping and timelines for delivery of the Punchh Products and Services included in the above Order are outlined in a separate Statement of Work. Any products or services not specifically listed in this Order may be added under a separate Order (or an Add-On Order) and signed by both Parties.

Billing and Invoicing

- Except as specifically set forth in the Agreement regarding Non-National Marketing Fund Locations ("**Non-NMF Locations**"), Customer agrees to be invoiced for all Fees specified in this Order on an aggregate, system-wide basis (not per-store or per-franchise).
- All Fees are payable in US dollars.
- All Fees are non-refundable once paid, including for any Location(s) that may close or otherwise be deactivated in the Customer dashboard during a billing cycle. Any changes in ownership of a particular Location will be managed by contacting Punchh and completing a Transfer and Assumption Agreement, including payment of any applicable administrative fee.

PLATFORM FEES:

Customer (and the Non-NMF Locations) will be invoiced for the listed Monthly Platform Fees specified in this Order (the "**Platform Fees**") upon the Order Effective Date (the "**Activation Date**"). Platform Fees are recurring, due and payable in advance in the frequency indicated above under Billing Terms.

Platform Fees are to be based on the greater of: (a) the total number of Locations specified in this Order, or (b) the total number of Locations provisioned, meaning listed on the Customer dashboard, on Punchh's Platform at any given time during the applicably billing cycle (the "**Participating Locations**"). Platform Fees for Locations that are added mid-billing cycle will either, in Punchh's sole discretion: (i) result in Punchh issuing an additional mid-cycle invoice for the added Location(s); or (ii) be added (on a prorated basis) to the next billing cycle and paid in arrears. **Participating Locations** that use Coupons and Promos (US non-integrated locations only) would be considered active and billable if they have had 10 or more loyalty check-in a given month.

IMPLEMENTATION AND PROFESSIONAL FEES:

The Total Monthly Professional Fees (the "**Professional Services Fees**") specified in this Order are due and payable as specified under Billing Terms after the Order Effective Date as reflected in the applicable invoice(s).

OTHER FEES (AND EXPENSES):

If specific modules are being purchased under this Order, Customer will be invoiced for product modules as soon as delivered or made available to Customer, and Customer agrees to pay in accordance with the invoice terms.

Any Third-Party Fees pertaining to the Services (e.g., Sendgrid and Twilio, see Attachment 1), if any, shall be passed on by Punchh to Customer and invoiced separately from this Order.

Term and Renewal

The initial term of this Order is specified above under Order Term (the "**Initial Term**") and begins upon the Activation Date. Thereafter, and unless otherwise terminated earlier pursuant to the Agreement, the Order Term will automatically renew for twelve (12) month renewal periods following the Initial Term (each a "**Renewal Period**"), unless one Party notifies the other in writing of its intention not to renew at least ninety (90) days prior to the end of the then-current Renewal Period. Unless otherwise agreed upon in writing between the Parties, for the initial Renewal Period following the Initial Term all listed fees in the Order shall increase by the greater of 6% or the applicable annual percentage increase in the Consumer Price Index ("**CPI**") over the prior 36 month period (the "**Automatic Increase**") (with the CPI amount derived from the all-Urban Consumers All Cities Average, For All Items (1982- 1984=100) published by the Bureau of Labor Statistics, United States Department of Labor web site: <https://www.bls.gov/news.release/cpi.nr0.htm>); and thereafter fees shall be at Punchh's list price for each Renewal Period.

AWS Private Instance

Customer acknowledges that by requesting a private instance, it would be subject to additional Fees.

ATTACHMENT 1

THIRD PARTY FEES

Email Delivery		
Item	Description	Fee
Mandatory IP Server Fee	<i>Payment for dedicated Internet Protocol servers which send emails.</i>	\$60 per month for 2 IP's, system-wide (scale up # of IP's based on email volume)
Onboarding Fee for Accounts with More than 200,000 Users	<i>Initial setup and IP warm-up for customers with 200K+ users.</i>	\$5,000 one-time
Volume-based Delivery Fees	<u>Email Volume (Emails Sent)</u>	<u>System Monthly Fee</u>
	0-100K per month	\$79.95 per month
	100K-300K per month	\$199.95 per month
	300K-700K per month	\$399.95 per month
	700K-1.5M per month	\$699.95 per month
	Additional 500K per month	\$200.00 per month

SMS Delivery (If Applicable)		
Item	Description	Fee
Subscription Fee	<i>Recurring pass-through charges for SMS application period and ongoing usage.</i>	Short Code (Vanity): \$1,500 per month Short Code (Random): \$1,000 per month
One-Time Setup Fee	<i>Punchh and third-party combined one-time setup fee for SMS phone number approval and setup.</i>	Greater than 200 Locations: \$10,000 one-time fee Less than 200 Locations: \$5,000 one-time fee
Volume-based Delivery Fees	<u>Volume</u>	<u>Cost per Message</u>
	First 500k Messages	\$ 0.0100
	Next 4.5 Million Messages	\$ 0.0075
	Next 20 Million Messages	\$ 0.0050
	Next 75 Million Messages	\$ 0.0030
	Next 100 Million Messages	\$ 0.0020
Carrier Fees		<u>Carrier Fees For Messages</u> \$0.0035 per message

Other Fees (If Applicable)		
AWS Private Instance	Based on usage and applicable only if selected.	

FOOTNOTES

Subject to change based on service provider pricing changes. Additional on-going or one-time fees may apply. SMS Carrier application fees may be assessed upon short code application submission and are passed directly to Customer. Fees for messages received are extra. Cellular Carrier Messaging Rates are not included. Message rollover not available.

Certificate Of Completion

Envelope Id: 1F08E8A3CA52429A83FC34AFFFA0D2DA Status: Completed
 Subject: Complete with DocuSign: Punchh IDQ MSA + SOW + ORDER FORM_FINAL_For Sig_021624.pdf
 Source Envelope:
 Document Pages: 38 Signatures: 8 Envelope Originator:
 Certificate Pages: 5 Initials: 0 Holly Gaetano
 AutoNav: Enabled 8383 Seneca-Turnpike Rd
 Envelope Stamping: Enabled New Hartford, NY 13413
 Time Zone: (UTC-05:00) Eastern Time (US & Canada) holly_gaetano@partech.com
IP Address: 70.40.85.149

Record Tracking

Status: Original Holder: Holly Gaetano Location: DocuSign
 2/16/2024 2:01:01 PM holly_gaetano@partech.com

Signer Events

Susie Moschkau
 Susie.Moschkau@idq.com
 Director Digital Marketing
 Security Level: Email, Account Authentication (None)

Signature

DocuSigned by:

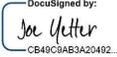
 440DEB4ABAFD4D6...
 Signature Adoption: Drawn on Device
 Using IP Address: 104.28.103.122

Timestamp

Sent: 2/16/2024 2:29:08 PM
 Viewed: 2/16/2024 6:19:19 PM
 Signed: 2/16/2024 6:26:10 PM

Electronic Record and Signature Disclosure:
 Accepted: 2/16/2024 6:19:19 PM
 ID: d3fbf403-b9e3-4e6a-ae35-eb67c077bda8

Joe Yetter
 joseph_yetter@partech.com
 GM Punchh
 Security Level: Email, Account Authentication (None)

DocuSigned by:

 CB46C9AB3A20492...
 Signature Adoption: Pre-selected Style
 Using IP Address: 74.70.225.251

Sent: 2/16/2024 6:26:13 PM
 Viewed: 2/17/2024 11:22:12 AM
 Signed: 2/17/2024 11:23:35 AM

Electronic Record and Signature Disclosure:
 Accepted: 2/17/2024 11:22:12 AM
 ID: 66022e55-7686-4eee-abb0-925ac2272ae2

In Person Signer Events	Signature	Timestamp
Editor Delivery Events	Status	Timestamp
Agent Delivery Events	Status	Timestamp
Intermediary Delivery Events	Status	Timestamp
Certified Delivery Events	Status	Timestamp
Carbon Copy Events	Status	Timestamp

Josh Tuokkola
 Josh.Tuokkola@partech.com
 Security Level: Email, Account Authentication (None)

COPIED

Sent: 2/17/2024 11:23:37 AM

Electronic Record and Signature Disclosure:
 Not Offered via DocuSign

Carbon Copy Events	Status	Timestamp
Jenna Schwartzhoff Jenna_schwartzhoff@partech.com Security Level: Email, Account Authentication (None)	COPIED	Sent: 2/17/2024 11:23:38 AM
Electronic Record and Signature Disclosure: Not Offered via DocuSign		

Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
Envelope Sent	Hashed/Encrypted	2/16/2024 2:29:08 PM
Certified Delivered	Security Checked	2/17/2024 11:22:12 AM
Signing Complete	Security Checked	2/17/2024 11:23:35 AM
Completed	Security Checked	2/17/2024 11:23:38 AM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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CONSUMER DISCLOSURE

From time to time, PAR Technology Corporation (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign, Inc. (DocuSign) electronic signing system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to these terms and conditions, please confirm your agreement by clicking the "I agree"™ button at the bottom of this document.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after signing session and, if you elect to create a DocuSign signer account, you may access them for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. To indicate to us that you are changing your mind, you must withdraw your consent using the DocuSign "Withdraw Consent"™ form on the signing page of a DocuSign envelope instead of signing it. This will indicate to us that you have withdrawn your consent to receive required notices and disclosures electronically from us and you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures

electronically from us.

How to contact PAR Technology Corporation:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: pti_salesadmin@partech.com

To advise PAR Technology Corporation of your new e-mail address

To let us know of a change in your e-mail address where we should send notices and disclosures electronically to you, you must send an email message to us at pti_salesadmin@partech.com and in the body of such request you must state: your previous e-mail address, your new e-mail address. We do not require any other information from you to change your email address..

In addition, you must notify DocuSign, Inc. to arrange for your new email address to be reflected in your DocuSign account by following the process for changing e-mail in the DocuSign system.

To request paper copies from PAR Technology Corporation

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an e-mail to pti_salesadmin@partech.com and in the body of such request you must state your e-mail address, full name, US Postal address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with PAR Technology Corporation

To inform us that you no longer want to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your DocuSign session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an e-mail to pti_salesadmin@partech.com and in the body of such request you must state your e-mail, full name, US Postal Address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

Operating Systems:	Windows® 2000, Windows® XP, Windows Vista®; Mac OS® X
Browsers:	Final release versions of Internet Explorer® 6.0 or above (Windows only); Mozilla Firefox 2.0 or above (Windows and Mac); Safari®, 3.0 or above (Mac only)
PDF Reader:	Acrobat® or similar software may be required to view and print PDF files
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	Allow per session cookies

** These minimum requirements are subject to change. If these requirements change, you will be asked to re-accept the disclosure. Pre-release (e.g. beta) versions of operating systems and browsers are not supported.

Acknowledging your access and consent to receive materials electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please verify that you were able to read this electronic disclosure and that you also were able to print on paper or electronically save this page for your future reference and access or that you were able to e-mail this disclosure and consent to an address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format on the terms and conditions described above, please let us know by clicking the "I agree" button below.

By checking the "I agree" box, I confirm that:

- I can access and read this Electronic CONSENT TO ELECTRONIC RECEIPT OF ELECTRONIC CONSUMER DISCLOSURES document; and
- I can print on paper the disclosure or save or send the disclosure to a place where I can print it, for future reference and access; and
- Until or unless I notify PAR Technology Corporation as described above, I consent to receive from exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to me by PAR Technology Corporation during the course of my relationship with you.



Address: 8383 Seneca Turnpike, New Hartford, NY 13413, United States

☎: (315) 738-0600

ORDER

CUSTOMER INFORMATION			
<i>Customer Name:</i>	American Dairy Queen Corp. Dairy Queen Canada, Inc.	<i>Customer Contact:</i>	
<i>Address:</i>	8331 Norman Center Dr. Suite #700 Bloomington, MN 55437		
<i>Phone:</i>		<i>Email:</i>	
<i>Billing contact (if different):</i>			
ORDER DETAILS			
<i>Order Term:</i>	36 months	<i>Offer Expiration Date:</i>	N/A
<i>Billing Terms:</i>	X Monthly <input type="checkbox"/> Annually <input type="checkbox"/> Quarterly, all net 30		

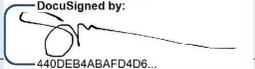
FEES*			
PLATFORM FEES			
<i>Products</i>	<i>List Price Per Location / Month</i>	<i>Number of Locations</i>	<i>Minimum System-Wide Recurring Fee / Month</i>
Loyalty – Treat & Food locations (US and Canada)	\$40.50	Minimum 2500	\$101,250
Loyalty – Treat only locations (US and Canada)	\$35.25	Minimum 475	\$16,743.75
Coupons & Promos (US non-integrated locations only)	\$14.30	No Minimum	[varies]
Monthly Platform Fees			\$117,993.75
IMPLEMENTATION & PROFESSIONAL FEES			
	<i>Price Per Location/Month</i>	<i>Number of Locations</i>	<i>Recurring Fee/Month</i>
Enterprise Package (US and Canada)			
Managed Services – US (flat fee)	[not per Location]	N/A	\$10,800
Managed Services – Canada (flat fee)	[not per Location]	N/A	\$10,800
Data Pipeline ongoing- daily data pull	[not per Location]	N/A	\$2,280
Total Monthly Professional Fees			\$23,880
OTHER FEES			
			<i>One-time Fee</i>

Data Pipeline Set-Up	[\$7,000] waived
Set-up Fees Total	\$0

***Not Included:** Third Party Fees (See Attachment 1)

Punchh Inc. (“**Punchh**”) and the customer(s) named above (“**Customer**”), collectively referred to as the “**Parties**” have caused this Order, executed by their duly authorized representatives, to be effective as of the later of the two signature dates below (“**Order Effective Date**”). This Order, including the Order Conditions on the following pages, is entered into under the terms and conditions of, and forms a part of, that Master Services Agreement entered into by the Parties as of 2/17/24 (the “**Agreement**”). Except as specifically set forth in the Agreement, this Order may not be terminated for convenience.

AGREED AND ACCEPTED BY

<p>American Dairy Queen Corp DocuSigned by:  By: _____ (signature) 440DEB4ABAFD4D6...</p> <p>Printed Name: <u>Susie Moschkau</u> Title: <u>VP of Digital Experience</u> Date: <u>2/16/2024</u></p>	<p>Punchh Inc. DocuSigned by:  By: _____ (signature) CB49C9AB3A20492...</p> <p>Printed Name: <u>Joe Yetter</u> Title: <u>General Manager - Punchh</u> Date: <u>2/17/2024</u></p>
<p>Dairy Queen Canada, Inc. DocuSigned by:  By: _____ (signature) 440DEB4ABAFD4D6...</p> <p>Printed Name: <u>Susie Moschkau</u> Title: <u>VP of Digital Experience</u> Date: <u>2/16/2024</u></p>	

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	Next 75 Million Messages	\$ 0.0030
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EXHIBIT F

TERRITORY OPERATOR'S SUBFRANCHISEES

As of December 31, 2024

DQ-MONTANA

<p>Kristen and Nick Villa DQ Grill & Chill 501 W Park Anaconda, MT 59711 406 563-6965 (8-50, 14)</p>	<p>Michael Walth DQ Grill & Chill 310 W Madison Ave Belgrade, MT 59714 406 388-8377 (00)</p>
<p>Harvir S Sangha DQ Grill & Chill 8189 Highway 35 (PO Box 1405) Big Fork, MT 59911 406 837-5336 (83)</p>	<p>Mike and Robyn Willet DQ Grill & Chill 2750 Old Hardin Rd, Ste F Billings, MT 59101-6809 406 252-1082 (01)</p>
<p>Randall and LesliAnn Finch DQ Grill & Chill 475 Main St Billings, MT 59107 406 248-8061 (95)</p>	<p>Nick Colbrese, Michael Evans, Dart Frank DQ Grill & Chill 1045 Grand Ave Billings, MT 59106 406 256-2345 (90)</p>
<p>Nick Colbrese, Michael Evans, Dart Frank DQ Grill & Chill 3220 Henesta Dr Billings, MT 59102 406 652-0200 (00)</p>	<p>Nick Colbrese, Michael Evans, Dart Frank DQ Grill & Chill 4975 King Ave E Billings, MT 59102 406 259-7544 (06)</p>
<p>Michael Walth DQ Grill & Chill 107 N 7th St Bozeman, MT 59715 406 587-7129 (49, 75)</p>	<p>Lonnie Peterson and Dave Pruitte DQ Grill & Chill 2227 Harrison Ave Butte, MT 59701 406 299-3324 (6-49, 13)</p>
<p>Lonnie Peterson and Dave Pruitte DQ Grill & Chill 64 W Mercury St Butte, MT 59701 406 782-5781 (19)</p>	<p>Chad and Nadine Ross DQ Grill & Chill 625 9th St W Columbia Falls, MT 59912 406 892-4242 (99)</p>
<p>Lonnie Peterson and Dave Pruitte DQ Grill & Chill 613 S Atlantic Dillon, MT 59725 406 683-2104 (60)</p>	<p>Carla Leonhardt DQ Grill & Chill 1290 Front St Forsyth, MT 59327 406 346-7411 (82)</p>
<p>Stacey and Karl Reddies DQ Grill & Chill 541 First Ave N Glasgow, MT 59230 406 228-8342 (50, 60, 78)</p>	<p>Lola and Steve Galloway DQ Grill & Chill 116 – 9th St N Great Falls, MT 59401 406 452-3521 (70)</p>

<p>Lola and Steve Galloway DQ Grill & Chill 1651 Fox Farm Road Great Falls, MT 59404 406 727-3111 (82)</p>	<p>David and Nicholette Stelling DQ Grill & Chill 2901 10th Ave S Great Falls, MT 59405 406 454-2111 (83)</p>
<p>Craig Engler DQ Grill & Chill 109 Bitterroot Plaza Dr Hamilton, MT 59840 406-375-1112 (07)</p>	<p>Torrey Moody DQ Grill & Chill 211 W 14th St (PO Box 462) Hardin, MT 59034 406 665-3553 (93)</p>
<p>Bridgett Kelly and Joseph Devires DQ Treat 535 5th Ave Havre, MT 59501 406 265-7221 (75)</p>	<p>Alexa and Erik Bass DQ Grill & Chill 2850 N Montana Ave Helena, MT 59601 406 442-5265 (99, 18)</p>
<p>Erik Bass and John McLaughlin DQ Grill & Chill 1700 Prospect Ave Helena, MT 59601 406 442-5265 (50, 63)</p>	<p>Randy and Ramona Dutter DQ Grill & Chill 19 E Idaho Kalispell, MT 59903 406 755-2955 (87, 05, 17)</p>
<p>Dave and Nick Amsk DQ Store 1017 W Park Livingston, MT 59047 406 222-2076 (50, 91)</p>	<p>Craig Engler DQ Grill & Chill 11400 Highway 93 S Lolo, MT 59847 406 273-2197 (97)</p>
<p>Sandra and Troy Perry DQ Grill & Chill 655 N 1st E (PO Box 1265) Malta, MT 59583 406 654-1051 (79, 14)</p>	<p>Wacy Arndt DQ Grill & Chill 506 S Haynes Miles City, MT 59301 406 234-2685 (50)</p>
<p>Craig Engler DQ Grill & Chill 1515 Dearborn Ave Missoula, MT 59801 406 728-2431 (84, 14, 19)</p>	<p>Craig Engler DQ Grill & Chill 3753 North Reserve St Missoula MT 59808 406 728-5950 (08)</p>
<p>Erika and Ryan Martin DQ Treat 1735 S Higgins Missoula, MT 59801 406 549-6075 (49)</p>	<p>Marie Jammeh and Andrew Lord DQ Grill & Chill 625 W Laurel Plentywood, MT 59254 406 765-1185</p>

<p>Travis Clairmont DQ Grill & Chill 6 Highway 93 N (PO Box 96) Ronan, MT 59864 406 676-0251 (71)</p>	<p>Cindee and Perry Williams DQ Grill & Chill 615 S Central Sidney, MT 59270 406 433-1075 (50, 76)</p>
<p>Travis Clairmont DQ Grill & Chill 6550 Hwy 93 Suite 101 Whitefish, MT 59937 406 862-2782 (77)</p>	

DQ-NORTH DAKOTA

<p>Losson Leonard DQ Grill & Chill 1300 Highway 49 N (PO Box 251) Beulah, ND 58523 701 873-2555 (83)</p>	<p>Gaylon and Robin Anderson DQ Store 1804 N 13th St Bismarck, ND 58501 701 258-4438 (72)</p>
<p>Gaylon and Robin Anderson DQ Store 230 W Broadway Bismarck, ND 58501 701 223-0548 (49)</p>	<p>Gaylon and Robin Anderson DQ Store 913 Burlington Dr Bismarck, ND 58501 701 255-4155 (06)</p>
<p>Travis Halverson DQ Grill & Chill 217 W 11th St Bottineau, ND 58318 701 228-2822 (53)</p>	<p>Ben Woodside and Marty Henderson DQ Grill & Chill 793 19th St S Casselton ND 58012 701 501-1990 (23)</p>
<p>Terry and Johnston DQ Grill & Chill 604 Highway 2 E (PO Box 133) Devils Lake, ND 58301 701 662-4622 (49)</p>	<p>Marin Lundeen Schulz & Todd Schulz DQ Grill & Chill 372 15th St W Dickinson, ND 59601 701 483-8100 (50)</p>
<p>Harjinder Grewal DQ Grill & Chill 201 Veitch St Emerado, ND 58228 701 594-4021 (60)</p>	<p>Gaylon and Robin Anderson DQ Grill & Chill 2401 45th St W Fargo, ND 58103 701 293-5918 (80)</p>

<p>Gaylon and Robin Anderson DQ Grill & Chill 3200 20th St S Fargo, ND 58103 701 298-6350 (98)</p>	<p>Gaylon and Robin Anderson DQ Grill & Chill 3201 13th Ave S Fargo, ND 58103 701 293-5918 (80)</p>
<p>Gaylon and Robin Anderson DQ Grill & Chill 3902 13 Ave S Fargo, ND 58103 701 356-3019 (04)</p>	<p>Tonya and Casey Johnson DQ Grill & Chill 5131 Prosperity Way Fargo, ND 58104 701-532-2055 (18)</p>
<p>Marin and Todd Schultz DQ Grill & Chill 4015 45th St S Fargo, ND 58104 701 356-1055</p>	<p>David Stedman DQ Grill & Chill 402 N University Fargo, ND 58102 701 232-4653 (50)</p>
<p>David and Elizabeth Jeffrey DQ Grill & Chill 420 5th Ave SW Garrison, ND 58540 701 463-2300 (16)</p>	<p>Dean and Jenny Kuhns DQ Treat 1209 N Fifth Grand Forks, ND 58203 701 772-3801 (49)</p>
<p>Terry Johnston DQ Grill & Chill 3600 S Columbia Rd Grand Forks, ND 58201 701 738-8530</p>	<p>Tonya and Casey Johnson DQ Grill & Chill 7875 Jacks Way Horace, ND 58047 701-793-1571 (22)</p>
<p>Kelly and Tricia Seckerson DQ Grill & Chill 330 Business Loop W Jamestown, ND 58401 701 252-4181 (70)</p>	<p>Jamie Reese DQ Grill & Chill 200 Rodeo Dr Killdeer, ND 58640 701 764-7468 (19)</p>
<p>Chad and Julie Morten DQ Grill & Chill Highway 2 Lakota, ND 58344 701 247-2411 (58)</p>	<p>William and Wolfgang Davis DQ Grill & Chill 1001 Ninth Ave Langdon, ND 58249 701 256-5252 (68)</p>
<p>Mike and Kirstie Weiland DQ Grill & Chill 1000 E Main Mandan, ND 58554 701 663-3996 (49, 83)</p>	<p>Becky and Kerry Beechie DQ Grill & Chill 1924 4th Ave NW Minot, ND 58701 701 852-6067 (81)</p>

<p>Karen and Todd Brabandt DQ Grill & Chill 1127 N Broadway Minot, ND 58701 701 839-3612 (49)</p>	<p>Karen and Todd Brabandt DQ Treat 215 14th Ave SW Minot, ND 58701 701 839-4131 (71)</p>
<p>Jim Wznick DQ Grill & Chill 2251 36th Ave SW Minot, ND 58701 701 852-8495 (22)</p>	<p>Jeremy Burkhart DQ Grill & Chill 99 Coop St New Town ND 58763 701 627-2270 (23)</p>
<p>Maci MacMillan DQ Grill & Chill Highway 17 RR2, Box 160 Park River, ND 58270 701 284-6799 (56)</p>	<p>Dianna and Kevin Juntunen DQ Grill & Chill Highway 281 W Rolla, ND 58367 701 477-3793 (61)</p>
<p>Carmen and James Buckmeier DQ Grill & Chill Highway 2 E RR4, Rugby, ND 58368 701 776-6233 (85)</p>	<p>Jim Wznick DQ Grill & Chill 301 12th Ave SE Stanley, ND 58784 701 628-3404 (20)</p>
<p>Kelly and Tricia Seckerson DQ Grill & Chill 909 N Central Ave Valley City, ND 58072 701 845-2622 (49)</p>	<p>Marin Lundeen-Schulz DQ Grill & Chill 1626 Commerce St Wahpeton, ND 58075 701 483-8100 (11)</p>
<p>David Stedman DQ Grill & Chill 1110 13th Ave E West Fargo, ND 58078-3348 701 356-9337</p>	<p>David Stedman DQ Grill & Chill 3234 Sheyenne St West Fargo, ND 58078 701 281-3443 (17)</p>
<p>Essie Wright DQ Grill & Chill 1022 1st Ave W Williston, ND 58801 701 572-6474 (50)</p>	

SIGNED, BUT NOT YET OPEN AS OF DECEMBER 31, 2024

DQ Grill & Chill
Bozeman Ice Cream, LLC
Bozeman, MT

If you buy this subfranchise, your contact information may be disclosed to other buyers when you leave the DQ system.

EXHIBIT G

TERRITORY OPERATOR'S FORMER SUBFRANCHISEES

(Left the System in 2024)

DQ-MONTANA/NORTH DAKOTA

Jim Auger Missoula MT 59802 406-531-1107 Restaurant No. 15483 Transfer	Kevin and Jody Hellegaard Havre MT 59501 406-262-3009 Restaurant No. 17596 Transfer
Suzie and Todd Kapaun Valley City ND 58072 701-840-1043 Restaurant No. 15798 Transfer	Lonnie Peterson and Dave Pruitte Lake Stevens, WA 98258 425-334-2713 Restaurant Nos. 15244, 15265, 18201, 19309 Transfer

If you buy this subfranchise, your contact information may be disclosed to other buyers when you leave the DQ system.

EXHIBIT H

ADQ'S FRANCHISEES

(As of December 31, 2024)

**FRANCHISED DQ GRILL & CHILL AND DAIRY QUEEN/BRAZIER RESTAURANT
LOCATIONS OPERATING AS OF DECEMBER 31, 2024**

FRANCHISED DQ GRILL & CHILL AND DAIRY QUEEN/BRAZIER RESTAURANT LOCATIONS IN MINNESOTA		
FRANCHISEE	STORE ADDRESS	PHONE
Hinnenkamp, Shayna K / Thom, Lawrence A / Thom, Sandy K	MN/Albany/331 7th St S	(320) 845-2960
C & A Inc	MN/Alexandria/1701 Broadway	(320) 763-4556
Lommen, John D	MN/Annandale/600 E Elm St	(320) 274-3479
Jindra, Timothy F	MN/Anoka/3511 Round Lake Blvd NW	(763) 421-8271
Kotrba Enterprises Inc	MN/Anoka/424 Main St	(763) 421-3892
BDQ Inc	MN/Barnesville/104 Highway 34	(218) 354-2231
Lss LLC	MN/Battle Lake/301 Lake Ave S	(218) 864-5288
Trojans Becker Inc	MN/Becker/14245 Bank Street	(763) 275-2600
Fourteen Foods LLC	MN/Belle Plaine/325 S Walnut St	(952) 248-3700
Fourteen Foods LLC	MN/Big Lake/300 Fern St	(763) 314-8563
Mockingbird LLC	MN/Blaine/12721 Central Ave NE	(763) 755-8600
Rumor Has It LLC	MN/Bloomington/317 Highway Ave S	(507) 261-3634
Fourteen Foods LLC	MN/Bloomington/Southport Shopping Center/3701 W Old Shakopee Rd	(952) 884-4777
Fourteen Foods LLC	MN/Blue Earth/1130 Giant Dr	(507) 568-9536
Brainerd Ice Box Investments Inc	MN/Brainerd/522 C St NE	(218) 536-1899
Stedman, David K	MN/Breckenridge/105 Minnesota Ave	(218) 643-5190
Dbk of Roseau Inc	MN/Buffalo/609 Hwy 55 E	(763) 682-1761
Queen Nelly LLC	MN/Burnsville/1301 Hwy 13 E	(952) 890-1040
Kilo Sierra Investments Corp	MN/Canby/9 St Olaf Ave S	(507) 223-5995
S.C. Puschinsky Inc	MN/Cass Lake/115 6th St NE Ste A	(218) 335-2908
Kotrba Enterprises Inc	MN/Champlin/11200 Aquila Dr N	(763) 427-8441
Big D Enterprises Inc	MN/Chaska/2935 N Chestnut St	(952) 448-4054
Fourteen Foods LLC	MN/Clearwater/720 Nelson Dr	(320) 558-6855
Son Group V LLC	MN/Cloquet/1402 Hwy 33 S	(218) 879-1953
Escalate Affluently Inc	MN/Cokato/230 Cokato St W	(612) 532-8684
Knauf Enterprises Inc	MN/Cold Spring/880 Highway 23 E	(320) 685-3836
OMKAR Inc	MN/Coon Rapids/3595 River Rapids Dr NW	(763) 323-6887
Kgb Inc	MN/Coon Rapids/370 Northdale Blvd NW	(763) 757-5900
JJAK LLC	MN/Crosby/714 Oak St	(218) 546-6124
Zabka Investments LLC	MN/Crosslake/36404 County Road 66	(218) 692-4443
Schland LLC	MN/Dawson/108 6th St	(320) 769-2300
Escalate Affluently Inc	MN/Delano/403 W River Rd	(612) 987-0392
Griffin Enterprises LLC	MN/Detroit Lakes/900 McKinley Ave	(218) 847-8154
Midwest Restaurant Holdings LLC	MN/Dilworth/1702 Center Ave W	(701) 793-1571
Group 17 Inc	MN/Duluth/307 Canal Park Dr	(218) 722-0799
Lipinski, Thomas A / Lipinski, Margaret A	MN/Duluth/5692 Miller Trunk Hwy	(218) 729-8756

FRANCHISED DQ GRILL & CHILL AND DAIRY QUEEN/BRAZIER RESTAURANT LOCATIONS IN MINNESOTA

FRANCHISEE	STORE ADDRESS	PHONE
Hinnenkamp, Shayna K / Thom, Lawrence A / Thom, Sandy K	MN/Albany/331 7th St S	(320) 845-2960
Top Curl LLC	MN/Eagan/4630 Rahn Cliff Rd	(651) 688-2725
Msw Foods Inc	MN/East Grand Forks/1412 Central Ave NE	(218) 773-7602
Fourteen Foods LLC	MN/Eden Prairie/16340 Terry Pine Dr	(952) 906-2005
DQ Training Restaurants LLC	MN/Edina/7700 Normandale Blvd	(952) 405-9427
Mitchell, Scott D / Mitchell, Annette B	MN/Elk River/403 Morton Ave	(763) 441-1823
Ivancich Inc	MN/Ely/1441 E Sheridan St	(218) 365-5101
Hendrickson & Associates Inc	MN/Faribault/4050 Hwy 60 W	(507) 334-0453
Clemons, Paul / Clemons, Julie	MN/Farmington/705 Willow St	(651) 463-7244
Skthom Inc	MN/Fergus Falls/719 E Vernon Ave	(218) 736-5737
Tbtb Inc	MN/Forest Lake/555 Lake St S	(651) 464-6608
FosstonDQ Inc	MN/Fosston/400 1st St E	(218) 435-1095
Fourteen Foods LLC	MN/Fridley/225 OsborNE Rd NE	(763) 571-5080
Bakers Eats LLC	MN/Glencoe/227 10th St E	(320) 864-3804
Himmel LLC	MN/Grand Marais/120 Highway 61 N	(218) 387-9809
South GRDQ Inc	MN/Grand Rapids/1940 Pokegama Ave S	(218) 326-3366
GFDQ Inc	MN/Granite Falls/560 Hwy 212 W	(320) 564-4268
Johnson-Schultz Restaurant LLC	MN/Hawley/1310 Hobart St	(218) 483-0293
Son Group III LLC	MN/Hermantown/4703 Market St	(218) 727-1668
Fourteen Foods LLC	MN/Hinckley/105 Grindstone Ct	(320) 384-7584
Bakers Eats LLC	MN/Hutchinson/46 Main St N	(320) 587-2076
Smoke and Fire Inc	MN/International Falls/1306 3rd Ave	(218) 283-3428
Igh Restaurant LLC	MN/Inver Grove Heights/6655 Cahill Ave	(651) 455-0339
J.H. and Sons Isanti Enterprises Inc	MN/Isanti/280 5th Ave NE	(763) 444-7291
Staples Enterprises Inc	MN/Jackson/1021 Highway 71 N	(507) 360-9310
BKT Operations LLC	MN/Lake Elmo/9923 Hudson Blvd.	(651) 363-3490
Fourteen Foods LLC	MN/Lakeville/10950 175th Ct W	(952) 892-5001
His Management Group Inc	MN/Lindstrom/13105 Lake Blvd	(651) 257-2536
Fourteen Foods LLC	MN/Lino Lakes/2110 Northern Lights Blvd	(651) 426-6310
Fourteen Foods LLC	MN/Lino Lakes/625 Apollo Dr	(651) 255-2502
LpDQ LLC	MN/Long Prairie/710 Commerce Rd	(320) 732-2776
Kilpatrick LLC	MN/Madison/711 8th Ave	(320) 598-3858
His Management Group Inc	MN/Mahtomedi/850 Wildwood Rd	(651) 777-4686
Fourteen Foods LLC	MN/Maple Grove/13770 83rd Way N	(763) 420-9830
Maplewood Restaurant LLC	MN/Maplewood/819 Century Ave N	(651) 739-7143
MDQ Inc	MN/Marshall/1206 E College Dr	(507) 532-9350
Boyd, Thomas K / Boyd, Teresa J	MN/McGregor/259 W Hwy 65	(218) 768-2050
S & L Thom Inc	MN/Melrose/208 E Cty Rd 173	(320) 256-3399
Peralta Enterprise Inc	MN/Mentor/38 County 12 N	(218) 637-2215
SL Michaels Holdings LLC	MN/Milaca/415 10th Ave SE	(320) 983-3451

FRANCHISED DQ GRILL & CHILL AND DAIRY QUEEN/BRAZIER RESTAURANT LOCATIONS IN MINNESOTA

FRANCHISEE	STORE ADDRESS	PHONE
Hinnenkamp, Shayna K / Thom, Lawrence A / Thom, Sandy K	MN/Albany/331 7th St S	(320) 845-2960
Fourteen Foods LLC	MN/Minnetonka/4912 County Road 101	(612) 427-0602
Fourteen Foods LLC	MN/Monticello/1110 Highway 25 NE	(763) 295-0133
MFL Inc	MN/Moorhead/802 30th Ave S	(701) 997-9383
Danby Inc	MN/Moose Lake/91 Arrowhead Ln	(218) 485-4317
Queen Tina Inc	MN/Mora/550 Highway 65 S	(248) 719-8081
Millapinski Companies LLC	MN/Morris/24 Atlantic Ave	(320) 589-2227
Yoder Family Enterprises LLC	MN/Motley/264 Hwy 10 S	(218) 352-6152
Wagner & Reiland Inc	MN/New Prague/409 4th Ave SW	(952) 758-3349
Fowler Enterprises Inc	MN/North Branch/38729 14th Ave	(651) 674-7680
His Management Group Inc	MN/North Saint Paul/2730 E 16th St	(651) 777-1511
Tomkat Inc	MN/Norwood/511 N Morse St	(952) 467-3452
His Management Group Inc	MN/Olivia/1520 W Lincoln	(320) 523-2200
JLD Eats Inc	MN/Ortonville/833 US Highway 12	(320) 487-2024
Stahnke, Peter J / Stahnke, Elizabeth O	MN/Park Rapids/809 1st St E	(218) 732-5947
Perlata Investments Inc.	MN/Pelican Rapids/1121 S Broadway	(218) 863-3320
Jp Taylor Inc	MN/Pequot Lakes/30799 Patriot Ave	(218) 568-5440
Jammers Inc	MN/Perham/802 3rd Ave SE	(218) 346-4070
Jp Taylor Inc	MN/Pine River/306 Front St S	(218) 587-4762
Fourteen Foods LLC	MN/Plainview/800 N Wabasha	(507) 486-7227
Fourteen Foods LLC	MN/Plymouth/4000 Annapolis Ln N	(763) 557-2830
2 Trojans Inc	MN/Princeton/1102 7th Ave S	(763) 389-2080
Howdee Corporation / Clausen, Dee	MN/Prior Lake/4393 Maplewood St SE	(952) 447-3894
His Management Group Inc	MN/Redwood Falls/1136 E Bridge	(507) 637-2200
DQ Training Restaurants LLC	MN/Richfield/2800 W 66th St	(612) 861-8941
Thomas D Austin Incorporated / Austin, Thomas D	MN/Richfield/7533 Lyndale Ave S	(612) 869-4250
Fourteen Foods LLC	MN/Rogers/13560 Rogers Dr	(763) 428-8063
Peralta Family Inc	MN/Roseau/1102 3rd St NW	(218) 463-3030
Fourteen Foods LLC	MN/Rosemount/15073 Canada Ave W	(651) 423-4554
Akst LLC	MN/Royalton/624 S Cedar St	(320) 584-8182
Lamb, Shane P (Estate)	MN/Saint Cloud/611 Hwy 10 SE	(320) 252-0862
Fourteen Foods LLC	MN/Saint Michael/281 Central Ave E	(763) 497-5254
T Stevens Corporation	MN/Saint Peter/850 N Minnesota Ave	(507) 931-4580
Main Street Soft Serve Inc	MN/Sauk Centre/1171 S Main St	(320) 352-3930
Clausen Corporation	MN/Savage/3939 Egan Dr	(952) 895-0141
Plaisted, Allen M / Plaisted, K / Bounds, M / Bounds, A	MN/Shakopee/1251 Tasha Dr	(952) 233-2717
Fourteen Foods LLC	MN/Shoreview/4615 Hodgson Rd	(651) 483-5076
Krals Soft Serve Inc	MN/Sleepy Eye/617 W Main St	(507) 794-5971
His Management Group Inc	MN/Spicer/137 Access Way	(320) 796-2010
Fourteen Foods LLC	MN/Spring Valley/300 N Section Ave	(507) 440-3155

FRANCHISED DQ GRILL & CHILL AND DAIRY QUEEN/BRAZIER RESTAURANT LOCATIONS IN MINNESOTA

FRANCHISEE	STORE ADDRESS	PHONE
Hinnenkamp, Shayna K / Thom, Lawrence A / Thom, Sandy K	MN/Albany/331 7th St S	(320) 845-2960
Yoder, Doyle D / Yoder, Debra / Ninja Restaurants of Staples Inc / Doll, Nicholas D / Doll, Jacquelyn M	MN/Staples/1100 2nd Ave NE	(218) 371-0915
BKJ Operations LLC	MN/Stillwater/1600 Frontage Rd W	(651) 351-2850
Peralta Inc / Peralta, Andrew L	MN/Thief River Falls/700 Highway 32 S	(218) 681-3007
NORTHDQ Inc	MN/Virginia/8399 Unity Dr	(218) 741-3058
Nissen Inc	MN/Wabasha/1000 Shields Ave	(651) 565-2100
Fourteen Foods LLC	MN/Waconia/10610 W 10th St	(651) 461-4183
BE COOOL Restaurants Wadena Inc	MN/Wadena/106 Ash Ave NW	(218) 430-0062
Stewart, Lara Rene / Stewart, Jon Lee	MN/Walker/308 Minnesota Ave W	(218) 547-1460
JECK Inc	MN/Warroad/609 Cedar Ave NW	(218) 386-2187
Fourteen Foods LLC	MN/Waseca/1904 State St N	(507) 835-2970
Liberty Investments of Albert Lea Inc	MN/Wells/210 3rd St NW	(507) 553-3813
His Management Group Inc	MN/Willmar/2020 Hwy 12 E	(320) 235-2072
His Management Group Inc	MN/Willmar/2100 1st St S	(320) 235-2076
Bolles Properties LLC	MN/Woodbury/7450 Currell Blvd	(651) 731-6878
Fourteen Foods LLC	MN/Worthington/1640 Humiston Ave	(507) 376-5487
Fourteen Foods LLC	MN/Wyoming/5111 E Viking Blvd	(651) 462-8706
Fourteen Foods LLC	MN/Zimmerman/12475 Fremont Ave NW	(651) 368-5835
Zumbrota LLC	MN/Zumbrota/215 E 18th St	(507) 732-5910

ADQ DQ GRILL & CHILL AND DAIRY QUEEN/BRAZIER FRANCHISEES WHO SIGNED OPERATING AGREEMENTS BUT NOT YET OPENED AS OF DECEMBER 31, 2024

None

FRANCHISED DQ TREAT STORES AS OF DECEMBER 31, 2024

FRANCHISED DQ TREAT STORES IN MINNESOTA AND NORTH DAKOTA

Franchisee	Store Address	Phone
D-Que Holdings Inc	MN/Alexandria/907 N Nokomis	(320) 763-6900
AMP Bemidji Inc	MN/Bemidji/700 Paul Bunyan Drive S	(218) 444-2108
Sweet Treats of Benson LLC	MN/Benson/2214 Atlantic Ave	(320) 843-3939
C & B Treats LLC	MN/Blaine/8528 Central Ave NE	(763) 784-2160
Zenith 11 MN LLC	MN/Bloomington/Mall Of America/282 East Broadway	(978) 406-1255
Brainerd Ice Box Investments Inc	MN/Brainerd/12 Washington St	(218) 829-4655
Carab LLC	MN/Brooklyn Park/8555 Edinburgh Center Dr	(763) 425-7100
Jh and Sons Enterprises Inc	MN/Cambridge/811 Main St S	(763) 689-4298
Letness, Thomas E	MN/Columbia Heights/3959 Central Ave NE	(763) 781-7856
Lee, Tou Fue / Plaisted, Allen M / Gerry, Mark I	MN/Cottage Grove/7175 80th St S	(651) 459-5511
Loken Enterprises LLC	MN/Crookston/1740 University Ave	(218) 281-4421
Koltes Enterprises LLC	MN/Duluth/4431 Grand Ave	(218) 624-5702
Synergy Investments IV Inc	MN/Eden Prairie/Eden Prairie Mall/8251 Flying Cloud Dr Ste 125	(952) 253-1122
Double Trouble Treats LLC	MN/Fairmont/1326 E Blue Earth Ave	(507) 235-5005

FRANCHISED DQ TREAT STORES IN MINNESOTA AND NORTH DAKOTA

Franchisee	Store Address	Phone
Hendrickson & Associates Inc	MN/Faribault/309 Lyndale Ave N	(507) 334-3700
Waska Treats Inc	MN/Glenwood/243 Minnesota Ave W	(320) 634-4956
Lommen, John D	MN/Golden Valley/7825 Medicine Lake Rd	(763) 542-1764
Plaisted, A / Plaisted, K / Gerry, M / Gerry, J	MN/Hastings/1205 Vermillion St	(651) 437-3370
Emanuel & Emanuel A Partnership	MN/Hibbing/615 W 41st St	(218) 262-2444
Pettit, David A (Estate)	MN/Hopkins/1800 Main St	(952) 930-0202
Mark Schultz and Kendra Hoehn LLC	MN/Janesville/106 E 1st St	(507) 234-5426
Rhjt Inc	MN/Lake City/821 N Lakeshore Dr	(651) 448-8277
K&M Curls LLC	MN/Lexington/4131 Woodland Rd	(763) 786-4663
Lucky Treats LLC	MN/Litchfield/1009 N Sibley Ave (Hwy 12)	(320) 221-3174
Ninja Restaurants Inc	MN/Little Falls/1012 Haven Rd	(320) 632-6494
Smidt, Rita / Smidt, Gary	MN/Marshall/401 Country Club Dr	(507) 532-6404
Starr 3747 Inc	MN/Minneapolis/3747 13th Ave S	(612) 822-2393
Lee, Tou Fue	MN/Minneapolis/4400 E Lake St	(612) 721-2007
Wilson LLC	MN/Minneapolis/4719 Lyndale Ave N	(612) 521-2422
March Enterprises LLC	MN/Minneapolis/4740 Minnehaha Ave	(612) 721-5400
D F Austin Inc	MN/Minneapolis/6014 S Portland Ave	(612) 869-6171
Synergy Investments IV Inc	MN/Minnetonka/12940 Minnetonka Blvd	(952) 938-2981
Deleon, Troy L / Deleon, Diane R	MN/Moorhead/24 S 8th St	(218) 233-3221
Nos Treats Inc	MN/New Brighton/2200 Silver Lake Rd NW	(651) 633-9728
Larson, Shelly Jo / St Polo LLC / Larson, Timothy J	MN/New Brighton/409 Old Hwy 8 NW	(651) 636-6560
Jp Taylor Inc	MN/Nisswa/25312 Main St	(218) 963-2163
Busterbarbob Inc	MN/Northfield/900 Highway 3 N	(507) 645-8912
Skthom Inc	MN/Paynesville/823 W Minnesota St	(320) 243-4676
J & H Pine City Enterprises Inc	MN/Pine City/1000 Main St S	(320) 629-3660
Cj Enterprises of Pipestone LLC	MN/Pipestone/301 8th Ave SE	(507) 825-3655
Plaisted, A / Plaisted, K / Gerry, M / Gerry, J	MN/Richfield/16 E 66th St	(612) 861-6151
Tacks of Minnesota LLC	MN/Robbinsdale/4017 W Broadway Ave	(763) 533-8072
Jtrh Inc	MN/Roseville/1720 Lexington Ave N	(651) 489-4182
Rhjt Inc	MN/Roseville/1739 Rice St	(651) 489-8900
His Management Group Inc	MN/Roseville/3070 Lexington Ave N	(651) 481-9007
REWA Corp	MN/Roseville/Rosedale Center/1595 Highway 36 W Space 722	(651) 636-2693
Hofmann, Keith / Hofmann, Jessica	MN/Saint Anthony/2612 Hwy 88	(612) 781-2429
Lahr, Gene G / Lahr, Barbara	MN/Saint Cloud/24 25th Ave S	(320) 252-3023
Treat Yourself LLC	MN/Saint Francis/Saint Francis City Center/23212 Saint Francis Blvd NW	(763) 954-9340
Swanson Enterprises LLC	MN/Saint James/1312 7th Ave S	(507) 375-4820
Toffi LLC	MN/Saint Paul/1537 White Bear Ave N	(651) 756-1535
Plaisted, Allen / Plaisted, Tim	MN/Saint Paul/565 Earl St	(651) 231-3796
Hagert, Brenda L	MN/Sanborn/32948 US Hwy 14	(507) 648-3575
Kaianne Shakers Inc	MN/Sauk Rapids/501 N Benton Dr	(320) 255-1697
Lee, Tou Fue	MN/South Saint Paul/602 Southview Blvd	(651) 451-8639
Himmel LLC	MN/Two Harbors/530 7th Ave	(218) 834-4105
Roley, Richard C	MN/Warren/110 W Fletcher Ave	(218) 745-4209
Plaisted, Rick L / Plaisted, Gloria	MN/Wayzata/3574 Shoreline Dr	(952) 471-7845
Slavik, John	MN/West Saint Paul/1110 S Robert St	(651) 457-1535
Plaisted, Jeffery / Plaisted, Vicki L	MN/White Bear Lake/4047 Hwy 61	(651) 426-9034
Gamradt, Larry L / Gamradt, Jeanne M	MN/Windom/1350 1st Ave	(507) 831-1948
Gf Washington Inc	ND/Grand Forks/1205 S Washington St	(701) 775-5422

FRANCHISED DQ TREAT STORES IN MINNESOTA AND NORTH DAKOTA		
Franchisee	Store Address	Phone
R & L Hospitality of Beulah Inc	ND/Minot/Dakota Square Mall/2400 10th St SW	(701) 839-8074

EXHIBIT I

ADQ'S FORMER FRANCHISEES

(Left the System in 2024)

ADQ DQ GRILL & CHILL FRANCHISE TRANSFERS IN 2024

ADQ DQ GRILL & CHILL FRANCHISE TRANSFERS IN 2024				
City	ST	Seller	Phone	Comment
*Transfers where seller sold interest in this particular store, but remains a franchisee for other store(s)				
Huntsville	Alabama	Cusundae LLC	(256) 285-0216	
Jackson	Alabama	MMBP Inc	(251) 246-0083	Removed Partner(s)
Madison	Alabama	Cusundae LLC	(256) 325-2740	
Albany	Georgia	M & J of Albany Inc	(229) 435-5050	Removed Partner(s)
Albany	Georgia	J&M of Albany LLC	(229) 432-6339	Removed Partner(s)
Carterville	Illinois	Stevens, Charles E / Stevens, Joyce	(618) 967-5405	
Godfrey	Illinois	Bailey, David T / Bailey, Wendy L	(618) 419-3668	
Clinton	Indiana	Kenkris Inc	(618) 554-1947	
Crawfordsville	Indiana	JD Restaurants Inc	(317) 691-4749	
Frankfort	Indiana	JD Restaurants Inc	(317) 691-4749	
Indianapolis	Indiana	Malka Morris LLC	(317) 753-6489	
Rushville	Indiana	JD Restaurants Inc	(317) 691-4749	
Council Grove	Kansas	Lindy Inc.	(620) 716-1731	Added Partner(s)
Ottawa	Kansas	Maloney, Joe P / Estate of Judith L. Maloney	(785) 242-4506	Family Transfer
Glasgow	Kentucky	Freddie Rigdon Enterprises Inc	(270) 651-3864	Family Transfer
Hamburg	Michigan	D&J Brothers Inc	(630) 935-7253	
Blaine	Minnesota	Mockingbird LLC	(763) 755-8600	Removed Partner(s)
International Falls	Minnesota	Ice Box Investments Inc	(218) 213-0637	
Lake Elmo	Minnesota	BKJ Operations LLC	(999) 999-9999	Incorporated
Marshall	Minnesota	MDQ Inc	(507) 532-9350	Added Partner(s)
Perham	Minnesota	Jammers Inc	(218) 346-4070	Removed Partner(s)
Sleepy Eye	Minnesota	Scott's Second Corporation	(507) 794-5971	
Maryland Heights	Missouri	D P G Enterprises Inc	(314) 803-3688	
O Fallon	Missouri	Toennies, Brian G / Westerheide-Toennies, Ramona L	(314) 842-0477	Added Partner(s)
Springfield	Missouri	SGF Treats 2 LLC	(615) 545-6837	
Springfield	Missouri	SGF Treats 1 LLC	(615) 545-6837	
Akron	Ohio	Po Deep Freeze Holdings LLC	(330) 794-9119	
Amherst	Ohio	R & E Engle Inc	(440) 984-1763	Family Transfer
Ashland	Ohio	Po Deep Freeze Holdings LLC	(419) 281-1389	
Fairfield	Ohio	A Akshar Shivam LLC	(513) 410-2388	
Vandalia	Ohio	Radhe Krishna Foods LLC	(708) 415-8149	Stock Transfer
Salem	Oregon	RNC Inc	(503) 881-5096	Stock Transfer

ADQ DQ GRILL & CHILL FRANCHISE TRANSFERS IN 2024				
City	ST	Seller	Phone	Comment
White Oak	Pennsylvania	WsDQ Management LLC	(412) 672-4788	Family Transfer
Alamo	Tennessee	S&S Foods Inc	(404) 786-1798	
Crossville	Tennessee	Tenntime Inc	(931) 202-1000	
Marysville	Washington	Norson Marysville Inc	(206) 779-7654	
Franklin	Wisconsin	Shreeji Ventures LLC	(630) 624-3545	Incorporated
Rhineland	Wisconsin	Liberty Investments of Albert Lea Inc	(507) 402-8636	
*Transfers where seller sold interest in this particular store, and has left the system				
Birmingham	Alabama	Sani-E-Zehra Inc	(404) 512-1363	
Clay	Alabama	Saboo Foods Inc	(205) 683-9105	
Huntsville	Alabama	Cusundae LLC	(256) 285-9497	
Huntsville	Alabama	Cusundae LLC	(256) 285-9496	
Jacksonville	Alabama	Gazi LLC	(256) 365-2240	
Phenix City	Alabama	Phenix 11 Inc	(334) 291-7803	
Greenville	Florida	Land O' Sun Management Corporation	(850) 948-2255	
Hudson	Florida	Mfh Holdings Inc	(727) 378-4677	
Jasper	Florida	Land O' Sun Management Corporation	(386) 792-3804	
Land O' Lakes	Florida	Mfh Brands Inc	(813) 388-2021	
Pensacola	Florida	Tj's Scenic Hwy LLC	(850) 473-1111	
Saint Petersburg	Florida	Begm LLC	(727) 343-8424	Stock Transfer
Sunrise	Florida	Haryl Inc	(954) 990-5194	
Tampa	Florida	Property King Fletcher LLC	(813) 971-6492	
Winter Garden	Florida	Figuys LLC	(407) 614-1805	
Alpharetta	Georgia	Kanta LLC	(470) 268-5362	
Bloomington	Georgia	Little Neck Shell LLC	(912) 348-2762	
Camilla	Georgia	Harry Phelps Inc	(229) 336-5522	
Dawson	Georgia	Dawson Creamery LLC	(229) 995-3490	
Macon	Georgia	Naved Sami Inc	(478) 742-4441	
McRae	Georgia	Dairy Treats Inc	(229) 868-2566	
Fairfield	Illinois	Demontster Inc / Smith, Joy Denise / Smith, Monty J	(618) 842-2618	
Matteson	Illinois	OM Lucky Matteson Ice Cream Inc	(630) 674-5912	
Morris	Illinois	Mlm Food's Inc	(815) 405-4564	
Northbrook	Illinois	Schubert, Edward J / Schubert, Susan L	(847) 312-0552	
Rushville	Illinois	Redshaw Enterprises Inc	(217) 430-7757	
Wood River	Illinois	Guarino, Sam R (Estate) / Guarino, Debra A	(618) 830-2818	Death
Elkhart	Indiana	D R B Inc	(574) 849-0295	Death
Fishers	Indiana	Sinbad LLC	(317) 710-9337	
Greenwood	Indiana	Kraus Enterprises Inc	(317) 453-0407	

ADQ DQ GRILL & CHILL FRANCHISE TRANSFERS IN 2024				
City	ST	Seller	Phone	Comment
Indianapolis	Indiana	Lampe Inc	(317) 490-1908	
Indianapolis	Indiana	R & Bg Inc	(317) 538-4618	
Lawrence	Indiana	Clark, Thomas E	(317) 440-3481	
Rockville	Indiana	Rockville Ventures Inc	(765) 344-3137	
Spencer	Indiana	Castille Street Foods Inc	(765) 967-4562	
Terre Haute	Indiana	Quad D Restaurants Inc	(812) 230-4313	
Westville	Indiana	Ganesh A & B Food Inc	(773) 556-4264	Family Transfer
Dyersville	Iowa	Millbun Inc	(563) 543-8349	
Iowa Falls	Iowa	Wilson, Steven R / Wilson, Rosalie J	(641) 648-9558	Incorporated
Wakeeney	Kansas	Katt, Cindy K	(785) 743-2160	
Harrodsburg	Kentucky	Druthers of Harrodsburg Inc	(859) 734-0252	Removed Partner(s)
Henderson	Kentucky	Louis B Hatchett Enterprises Inc	(270) 577-1046	
Lexington	Kentucky	Scher Enterprises Inc	(859) 983-2358	
Tompkinsville	Kentucky	Zoha LLC	(270) 487-8845	
Leesville	Louisiana	Pat-Rick LLC	(337) 404-3605	
Rockland	Maine	Maine-Ly Foods Inc	(207) 594-9460	
Harwich Port	Massachusetts	Prm Foods Inc	(508) 432-3340	
Ypsilanti	Michigan	Serra, Albert F	(727) 235-2379	
Mora	Minnesota	Sure Would Inc	(320) 679-2055	
Ortonville	Minnesota	Stedman, David K	(320) 487-2024	Family Transfer
Zumbrota	Minnesota	Bucher Inc	(507) 732-7591	
Brookhaven	Mississippi	Johnson, Zachary M	(601) 938-1882	
Independence	Missouri	Ashir Group LLC	(816) 912-1611	
Jefferson City	Missouri	Tb Foods LLC	(573) 338-3702	
Sikeston	Missouri	SLC Sikeston Inc	(573) 579-9534	
Beatrice	Nebraska	Engelman, Lavern D / Fugett, Kimberly R	(402) 228-3810	
Omaha	Nebraska	Luce Sr, Jeffrey E	(402) 895-4877	
Elko	Nevada	Khoury, Mariam I	(775) 738-3655	
Fallon	Nevada	Shepard & Humphrey LLC	(775) 427-5600	Death
Hudson	New Hampshire	White, Lynn C	(603) 883-0400	
North Conway	New Hampshire	JGF Property Management LLC	(603) 356-5555	
Denver	North Carolina	HRARG Dairy Denver LLC	(980) 833-4457	
Huron	Ohio	C G & K Inc	(419) 656-5328	
Louisville	Ohio	Hj Pap-Freez LLC	(330) 875-8987	
Camp Hill	Pennsylvania	3615 Creamery LLC	(717) 737-0732	
Byrdstown	Tennessee	Ramsey & Son LLC	(931) 864-7552	
Cookeville	Tennessee	Bean, Bruce J	(931) 526-5431	
Beloit	Wisconsin	R Front Management LLC	(608) 346-1907	

ADQ DQ GRILL & CHILL FRANCHISE TRANSFERS IN 2024				
City	ST	Seller	Phone	Comment
Marinette	Wisconsin	Beck, Christopher K / Beck, Cynthia A	(715) 732-0783	
Menomonee Falls	Wisconsin	Schiefelbein, Gerald L / Schiefelbein, Julie A	(262) 370-8290	
Menomonie	Wisconsin	Fretty, David D	(715) 309-2700	
Prairie Du Chien	Wisconsin	Sinram, Jeffery A / Sinram, Cynthia L	(608) 326-8121	
Pulaski	Wisconsin	Royer & Williams LLC	(920) 822-8044	
Turtle Lake	Wisconsin	M & M of Turtle Lake LLC	(715) 986-4242	
Waukesha	Wisconsin	Schiefelbein, Gerald Lee	(262) 370-8290	

ADQ DQ GRILL & CHILL FRANCHISE TERMINATIONS IN 2024

ADQ DQ GRILL & CHILL FRANCHISE TERMINATIONS IN 2024				
City	ST	Franchisee	Phone	Reason
Phoenix	Arizona	Steele, Charlotte M / Steele, Donald L	(602) 249-0432	Franchisee Closure
Phoenix	Arizona	Paul, Rajiv	(623) 849-2440	Franchisee Closure
Boulder	Colorado	First Serve Inc / Pancitz, Daniel	(303) 443-9262	Terminated
Fort Myers Beach	Florida	Northern Stern Corp	(305) 873-7346	Terminated
Ocala	Florida	DQ of Zuber Fla Inc	(352) 484-4814	Franchisee closure
Augusta	Georgia	Anushazehra LLC	(706) 855-9540	Franchisee Closure
Darien	Georgia	Weeks Fast Foods Inc	(912) 437-2167	Franchisee Closure
McDonough	Georgia	Mushraf Corporation	(770) 957-6519	Franchisee Closure
Hoffman Estates	Illinois	Om Hoffman Estates Ice Cream Inc	(847) 285-1455	Terminated
Marion	Illinois	Southern Sales Inc	(618) 997-5180	Franchisee closure
Batesville	Indiana	Herm Inc	(812) 934-6652	Terminated
Indianapolis	Indiana	David Atherton Inc / Atherton, David S	(317) 357-1141	Franchisee closure
Paola	Kansas	Azaan Enterprise LLC	(913) 472-1206	Franchisee Closure
Wichita	Kansas	M and W Shaban Inc	(316) 685-7381	Terminated
Louisville	Kentucky	Fourteen Foods LLC	(502) 774-5565	Franchisee closure
Pineville	Kentucky	Fourteen Foods LLC	(606) 337-2100	Franchisee closure
Eunice	Louisiana	Dairy Queen of Eunice Inc	(337) 546-1200	Terminated
Bloomington	Minnesota	Fourteen Foods LLC	(612) 464-5583	Franchisee closure
Ham Lake	Minnesota	BtndDQ LLC	(763) 434-3400	Terminated
New Ulm	Minnesota	Winter, Shelly L	(507) 359-9229	Franchisee Closure
Onamia	Minnesota	Treatsz LLC	(320) 532-3499	Terminated
Victoria	Minnesota	Ridl, Josephine K (Estate)	(952) 443-2294	Franchisee Closure
Clinton	Mississippi	Johnson's Foods Inc	(601) 924-6232	Franchisee closure
Oakville	Missouri	Billings, Philip E / Billings, Joan B	(314) 487-6792	Franchisee Closure
Shadyside	Ohio	Via Marie & Co LLC	(740) 676-2548	Franchisee closure
Pawleys Island	South Carolina	Carolina G & C LLC	(843) 314-3024	Franchisee closure
Celina	Tennessee	Zaman LLC	(931) 243-3277	Franchisee closure

ADQ DQ GRILL & CHILL FRANCHISE TERMINATIONS IN 2024				
Osceola	Wisconsin	Grove, Relan K / Grove, Luanne L	(715) 755-3217	Terminated

Note: The information provided below regarding subfranchised outlets is provided to ADQ by territory operators and is not independently verified by ADQ or us.

**DQ GRILL & CHILL TERRITORY OPERATOR
SUBFRANCHISE TRANSFERS IN 2024**

DQ GRILL & CHILL TERRITORY OPERATOR SUBFRANCHISE TRANSFERS IN 2024				
City	ST	Seller	Phone	Comment
*Transfers where seller sold interest in this particular store, but remains a franchisee for other store(s)				
Pella	Iowa	Sperr Enterprises LLC	(641) 891-6074	
Hamilton	Montana	Peterson Group Montana LLC	(425) 344-2713	
Lolo	Montana	Swilcan Enterprises LLC	(425) 344-2713	
Missoula	Montana	Peterson Group Montana LLC	(425) 344-2713	
Missoula	Montana	Peterson Group Montana LLC	(425) 344-2713	
Gahanna	Ohio	DQ of Gahanna Inc	(614) 471-0746	
Lincoln City	Oregon	GEDQ II Inc	(541) 614-1141	Family Transfer
Blairsville	Pennsylvania	Po Deep Freeze Holdings LLC	(724) 459-8740	
Finleyville	Pennsylvania	JHDQ LLC	(724) 348-8080	
Harmony	Pennsylvania	Harmony Cones Inc	(724) 452-4747	Family Transfer
Leechburg	Pennsylvania	Po Deep Freeze Holdings LLC	(724) 845-6090	
Cedar City	Utah	Dan & Brenda Investments Inc	(435) 233-2037	
Perry	Utah	Peak I LLC	(208) 390-1002	Death
*Transfers where seller sold interest in this particular store, and has left the system				
Marion	Iowa	Lickety Split Inc	(319) 447-5660	
Hackettstown	New Jersey	Colovic Hackettstown Dairy LLC	(908) 852-6685	
Valley City	North Dakota	Kapaun, Todd A / Kapaun, Suzanne M	(701) 845-2622	
Bryan	Ohio	Pool, Michael S	(419) 636-7925	
Columbus	Ohio	Vedaant LLC	(614) 706-4458	
Columbus	Ohio	Jjp Amusements Inc	(614) 582-6508	
Groveport	Ohio	Sporleder & Associates LLC	(614) 836-9656	
Winston	Oregon	Norton, James R / Norton, Rebecca J	(541) 679-5851	
Mount Union	Pennsylvania	Carols Mount Union Dairy Queen LLC	(717) 437-2503	
Richboro	Pennsylvania	Richboro Sucrose LLC	(267) 778-9944	
Sandy	Utah	New Age Distributing Inc	(801) 572-3960	
Milton	Washington	Prime DQ Inc	(253) 927-6772	
Spokane Valley	Washington	Bergland, Judith (Estate)	(509) 926-6617	Death

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**DQ GRILL & CHILL TERRITORY OPERATOR
SUBFRANCHISE TERMINATIONS IN 2024**

DQ GRILL & CHILL TERRITORY OPERATOR SUBFRANCHISE TERMINATIONS IN 2024				
City	ST	Franchisee	Phone	Reason
Sedona	Arizona	Aj's Ventures LLC	(928) 282-2789	Terminated
Cedar Rapids	Iowa	Sweet Solutions Inc	(319) 364-7888	Franchisee Closure
Mars	Pennsylvania	Guru Fateh Inc	(412) 638-9791	Franchisee closure
Bealton	Virginia	E E Wine Inc	(540) 439-7052	Franchisee closure

ADQ DQ TREAT FRANCHISE TRANSFERS IN 2024

ADQ DQ TREAT FRANCHISE TRANSFERS IN 2024				
City	ST	Seller	Phone	Comment
*Transfers where seller sold interest in this particular store, but remains a franchisee for other store(s)				
Lone Tree	Colorado	Bell Brand Ranches Inc	(303) 792-9958	
Milford	Connecticut	Fuzzy Bunny LLC	(203) 877-6506	
Elk Grove Village	Illinois	Prairie State Ice Cream Inc	(847) 652-0392	
Shelbyville	Indiana	JD Restaurants Inc	(765) 675-7531	
Sanford	Maine	Titherington, Rachel E	(207) 324-8167	Family Transfer
Bemidji	Minnesota	K & M of Bemidji Inc	(218) 444-2108	
Frazeysburg	Ohio	Graham, Charles / Graham, Dawni	(740) 607-6567	Family Transfer
Ravenna	Ohio	Joe-Hees Inc	(330) 235-3230	
Wooster	Ohio	Lim-End Inc	(330) 234-6837	
Hinton	West Virginia	Vance Properties Inc	(304) 466-1700	Family Transfer
*Transfers where seller sold interest in this particular store, and has left the system				
Bermuda Dunes	California	Szulborski, Michael V	(925) 786-0643	
Concord	California	Kps Corporation	(925) 348-5382	
Simi Valley	California	Rayhan, Md / Rayhan, Fatema R	(805) 630-2280	
Denver	Colorado	Canuckjenny LLC	(303) 593-0396	
Wallingford	Connecticut	Sotere, Ronald (Estate) / Sotere, Roseann	(203) 281-0258	Family Transfer
Willimantic	Connecticut	Bertora, Paul B	(860) 428-4338	
Bonita Springs	Florida	Cool Treats of Bonita Inc	(239) 992-4797	
Gainesville	Florida	Land O' Sun Management Corporation	(352) 244-4427	
Madison	Florida	Land O' Sun Management Corporation	(850) 973-2311	
Ormond Beach	Florida	Flips N Dips Inc	(386) 676-2144	
Palatka	Florida	Dairy Queen of Palatka Inc	(386) 972-4572	
Port Charlotte	Florida	Suncoast Delight Inc	(941) 743-8665	
Aurora	Indiana	Mclaughlin, Jerome C (Estate) / Mclaughlin, Mercedita A	(812) 926-7624	

ADQ DQ TREAT FRANCHISE TRANSFERS IN 2024				
City	ST	Seller	Phone	Comment
Huntington	Indiana	Shawmak Enterprises Inc	(260) 760-0048	
Denison	Iowa	Frum, Steven E (Estate)	(712) 203-6445	Death
Wichita	Kansas	Barrett, Richard D	(316) 686-7177	
Biddeford	Maine	Wolfahrt, Dean	(207) 571-4304	
Rockville	Maryland	Jal Enterprises Inc	(240) 605-8432	
Edgartown	Massachusetts	Ckv Ice Cream Inc	(950) 580-7118	
Garden City	Michigan	M Manjo Inc	(586) 344-1508	Family Transfer
Grand Rapids	Michigan	Griffin, James	(616) 456-9393	Family Transfer
Houghton	Michigan	Kytta Enterprises Inc	(906) 370-2461	
Inkster	Michigan	Almira LLC	(313) 575-8087	
Richmond	Michigan	Kadouh Brothers LLC	(248) 881-2891	
Benson	Minnesota	Stevens, Kevin J / Stevens, Jill	(320) 843-3939	
Janesville	Minnesota	Cowdin, Steven C / Cowdin, Susan R	(507) 234-5426	
Minneapolis	Minnesota	Schwick Inc	(612) 822-2393	
Saint Francis	Minnesota	Hero Treats LLC	(763) 954-9340	
Saint Paul	Minnesota	LJSJ LLC	(651) 756-1535	
Pahrump	Nevada	Beck and Gross LLC	(775) 209-0677	
Tilton	New Hampshire	Two Queens LLC	(603) 286-3205	
Fremont	Ohio	Darr, Bruce C	(419) 680-3218	
Hubbard	Ohio	Cold Treats LLC	(330) 550-3822	
Toledo	Ohio	M5 Holdings LLC	(419) 346-0669	
Du Bois	Pennsylvania	Burton, Deborah N	(814) 371-7160	
Gettysburg	Pennsylvania	Maslowski, John	(717) 334-4424	Family Transfer
Racine	Wisconsin	Kook's Douglas Ave LLC	(414) 248-1412	

ADQ DQ TREAT FRANCHISE TERMINATIONS IN 2024

DQ TREAT FRANCHISE TERMINATIONS IN 2024				
City	ST	Franchisee	Phone	Reason
National City	California	Kunain Inc	(619) 267-2674	Franchisee closure
San Jose	California	Bdkn Enterprises LLC	(408) 225-8019	Non renewed
Fort Collins	Colorado	Chavez, Michelle L	(970) 224-2428	Franchisee closure
Grand Junction	Colorado	Colorado Mesa Mall Inc	(970) 243-7044	Non renewed
Greenwood Village	Colorado	Tri-Treats Inc	(303) 779-4538	Franchisee closure
Waterford	Connecticut	McBride Enterprises LLC	(860) 439-1826	Non renewed
Vernon Hills	Illinois	Pre Corporation Inc	(847) 680-7270	Franchisee closure
West Des Moines	Iowa	Hoffman, Robert J	(515) 225-6469	Non renewed
Cambridge	Maryland	Wyatt, Susan H	(443) 477-6330	Franchisee closure

DQ TREAT FRANCHISE TERMINATIONS IN 2024				
City	ST	Franchisee	Phone	Reason
Lansing	Michigan	Hmfic LLC	(517) 708-8649	Franchisee closure
Roscommon	Michigan	Evergreen Northern Market LLC	(989) 889- 1511	Franchisee Closure
Brooklyn Park	Minnesota	Mixell, Todd / Mixell, Marty	(763) 560-5741	Franchisee Closure
Minneapolis	Minnesota	Dapaul Enterprises LLC	(612) 788-8336	Franchisee closure
Saint Paul	Minnesota	Slavik, Johnathan P	(651) 776-7188	Terminated
Oak Grove	Missouri	TA Operating LLC	(816) 625-5164	Franchisee Closure
Gastonia	North Carolina	Kausar Inc	(704) 917-1001	Franchisee closure
Cincinnati	Ohio	Shree Shaktikrupa Inc	(513) 671-6226	Franchisee Closure
Vienna	Ohio	Suroiu, Nick	(330) 394-1658	Franchisee closure
Pittsburgh	Pennsylvania	Brico Realty LLC	(412) 494-4930	Non renewed
Lexington	South Carolina	Circle K Stores Inc	(803) 808-0598	Franchisee closure

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DQ TREAT TERRITORY OPERATOR SUBFRANCHISE TRANSFERS IN 2024

DQ TREAT TERRITORY OPERATOR SUBFRANCHISE TRANSFERS IN 2024				
City	ST	Seller	Phone	Comment
*Transfers where seller sold interest in this particular store, but remains a franchisee for other store(s)				
Tucson	Arizona	Hoffman, Eric L / Hoffman, Jessica F	(520) 790-0769	Incorporated
Freehold	New Jersey	MFR82 Inc	(732) 845-1144	Family Transfer
Montvale	New Jersey	Stoll, Walter	(201) 391-3684	Added Partner(s)
Ridgefield	New Jersey	KAYA Holdings LLC	(732) 639-2529	Removed Partner(s)
Washington Township	New Jersey	Bergen Creamery LLC	(551) 206-7754	
Bay Village	Ohio	Peters, Todd / Peters, Alana	(440) 835-1929	
*Transfers where seller sold interest in this particular store, and has left the system				
Lake Wales	Florida	C-Five Queen Management Company LLC	(863) 289-2155	
Miami	Florida	Orsillo, Virginia / Smith, Kathleen Orsillo	(305) 665-1387	
Campton Hills	Illinois	Patterson, Georgia / Karametsos, Margie	(630) 584-7390	
Downers Grove	Illinois	Troha, Steven A	(630) 852-2246	
Harvard	Illinois	Rank In Enterprises Inc	(815) 943-2663	
Naperville	Illinois	J.M.R. Dairy Queen LLC	(630) 922-3737	
Palatine	Illinois	Palatine Ice Cream Inc	(630) 745-0425	

DQ TREAT TERRITORY OPERATOR SUBFRANCHISE TRANSFERS IN 2024				
City	ST	Seller	Phone	Comment
Spring Grove	Illinois	Pledgemark Inc	(815) 581-0956	
Warrenville	Illinois	CORRAL FREEZERIA INC	(630) 393-2277	
Willowbrook	Illinois	WillowbrookDQ LLC	(630) 667-8334	Family Transfer
Story City	Iowa	DO Story Holdings LLC	(515) 733-2844	
Havre	Montana	Hellegaard, Kevin / Hellegaard, Jody	(406) 265-7221	
Missoula	Montana	A & M Inc	(406) 549-6075	
Henderson	Nevada	Pecos LLC	(725) 205-8665	
Allendale	New Jersey	Bergen Creamery LLC	(201) 236-8083	
Ringwood	New Jersey	Almic Inc	(201) 637-2970	
Sea Isle City	New Jersey	Don 3XDQ LLC	(609) 849-4996	Removed Partner(s)
Stone Harbor	New Jersey	Shoreline Financial Group LLC	(609) 967-5150	Death
Lansdale	Pennsylvania	DK Treats LLC	(215) 855-0229	
Latrobe	Pennsylvania	Dudley Enterprises Inc	(724) 537-5441	
Norristown	Pennsylvania	Connie Mack Inc / Carpani, David	(610) 733-8962	

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DQ TREAT TERRITORY OPERATOR SUBFRANCHISE TERMINATIONS IN 2024

DQ TREAT TERRITORY OPERATOR SUBFRANCHISE TERMINATIONS IN 2024				
City	St	Subfranchisee	Phone	Reason
Watseka	Illinois	Paro, Randy / Paro, Peggy	(815) 432-2037	Terminated
Ames	Iowa	Vg Fam LLC	(515) 233-5550	Franchisee closure
Lawrence	Massachusetts	Lawrence ICA LLC	(978) 687-0682	Franchisee Closure
Browns Mills	New Jersey	Hartol Inc	(609) 893-4240	Franchisee Closure
Linden	New Jersey	Lmb of Linden Inc	(908) 925-7849	Franchisee Closure
Mentor	Ohio	GIDQ LLC	(440) 974-5993	Franchisee Closure
New Castle	Pennsylvania	Greco, Jennifer A	(724) 654-7073	Franchisee Closure
Bedford	Virginia	Desimone, Rick (Estate)	(540) 874-4677	Franchisee closure
Chantilly	Virginia	Hrk Corporation	(703) 263-3316	Non renewed
Wytheville	Virginia	Pilot Travel Centers LLC	(276) 228-2522	Franchisee Closure

ADQ G&C TEXAS RESTAURANT TRANSFERS IN 2024

ADQ G&C TEXAS RESTAURANT TRANSFERS IN 2024				
City	ST	Seller	Phone	Comment
*Transfers where seller sold interest in this particular store, but remains a franchisee for other store(s)				
Bonham	Texas	Hometown Boys LLC	(903) 877-4128	Removed Partner(s)
Diana	Texas	Hometown Boys LLC	(903) 881-9949	

ADQ G&C TEXAS RESTAURANT TRANSFERS IN 2024				
City	ST	Seller	Phone	Comment
Gilmer	Texas	Hometown Boys LLC	(903) 881-9949	
Sulphur Springs	Texas	Hometown Boys LLC	(903) 881-9949	
Sulphur Springs	Texas	Hometown Boys LLC	(903) 881-9949	
*Transfers where seller sold interest in this particular store, and has left the system				
Brady	Texas	Alexander, Kerilu M	(325) 456-8887	
Carrizo Springs	Texas	Bowen, Jennifer J	(361) 808-8858	
Crystal City	Texas	Bowen, Jennifer J	(361) 808-8858	
Dilley	Texas	Bowen, Jennifer J	(361) 808-8858	
Eagle Pass	Texas	Bowen, Jennifer J	(361) 808-8858	
Eules	Texas	Sp Investment Group LLC	(214) 934-6251	
Falfurrias	Texas	Bowen, Jennifer J	(361) 808-8858	
Hebbronville	Texas	Bowen, Jennifer J	(361) 808-8858	
Los Fresnos	Texas	Bowen, Jennifer J	(361) 808-8858	
Mathis	Texas	Bowen, Jennifer J	(361) 808-8858	
Premont	Texas	Bowen, Jennifer J	(361) 808-8858	
Rio Grande City	Texas	Bowen, Jennifer J	(361) 808-8858	
Riviera	Texas	Bowen, Jennifer J	(361) 808-8858	
Roma	Texas	Bowen, Jennifer J	(361) 808-8858	
San Diego	Texas	Bowen, Jennifer J	(361) 808-8858	
Sinton	Texas	Bowen, Jennifer J	(361) 808-8858	
Sugar Land	Texas	Humberto & Family Inc	(281) 384-9558	
The Woodlands	Texas	Dallas Ballers Club LLC	(832) 693-5469	Stock Transfer
Wharton	Texas	Sugar Land Food Service Inc	(713) 382-5671	
Zapata	Texas	Bowen, Jennifer J	(361) 808-8858	

ADQ G&C TEXAS RESTAURANT TERMINATIONS IN 2024

ADQ G&C TEXAS RESTAURANT TERMINATIONS IN 2024				
City	State	Franchisee	Phone	Reason
Bay City	Texas	Ctx Restaurants Inc	(979) 245-9101	Franchisee closure
Benbrook	Texas	AMO TX2 LLC	(702) 845-2559	Terminated
Calvert	Texas	Fal Co LLC	(979) 364-2121	Franchisee Closure
Coppell	Texas	Project Lonestar Inc	(214) 222-5334	Franchisee closure
Dickinson	Texas	Anwar, Muhammad Yousaf	(281) 534-4191	Terminated
Flower Mound	Texas	Ag Bros Construction LLC	(972) 874-2345	Franchisee closure
Fort Worth	Texas	AMO TX1 LLC	(702) 845-2559	Franchisee closure
Kaufman	Texas	AG Bros Kaufman LLC	(214) 972-6633	Terminated
Lufkin	Texas	Project Lonestar Inc	(936) 634-2526	Franchisee closure
Mart	Texas	Nk Hayat Inc	(254) 876-2555	Franchisee closure
Pharr	Texas	R & L Lozano Operating Ltd	(956) 787-7461	Franchisee closure
Rowlett	Texas	Lone Star Treats Rowlett LLC	(214) 501-4620	Franchisee Closure
San Antonio	Texas	Kiya 111 Inc	(210) 342-3700	Franchisee closure

ADQ G&C TEXAS RESTAURANT TERMINATIONS IN 2024				
Webster	Texas	2-Mna LLC	(832) 224-9113	Terminated

EXHIBIT J

TERRITORY OPERATOR'S FINANCIAL STATEMENTS

(As of December 31, 2024 and 2023, and for the three years in the period ended December 31, 2024)

LEE & COMPANY

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The accompanying financial statements and report are intended for the original recipient. They must be presented in their entirety and may not be modified in any manner.

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2024 AND 2023

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

FINANCIAL STATEMENTS
For the Years Ended December 31, 2024 and 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members
Dairy Queen Montana/North Dakota LLC
Missoula, Montana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Dairy Queen Montana/North Dakota LLC, which comprise the balance sheet as of December 31, 2024 and 2023, and the related statements of income, members' capital, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dairy Queen Montana/North Dakota LLC as of December 31, 2024 and 2023, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dairy Queen Montana/North Dakota LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dairy Queen Montana/North Dakota LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements may be considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dairy Queen Montana/North Dakota LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dairy Queen Montana/North Dakota LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Missoula, Montana
April 2, 2025

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Balance Sheets
December 31, 2024 and 2023

	2024	2023
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,665,435	\$ 1,017,029
Accounts receivable, net	425,506	429,229
Held-to-maturity securities	739,617	741,611
Total Current Assets	2,830,558	2,187,869
Property & Equipment		
Office equipment	44,175	41,439
Automobiles	43,121	22,321
Less accumulated depreciation	(66,137)	(58,753)
Total Property & Equipment, Net	21,159	5,007
Other Assets		
Franchise rights	41,900	41,900
Less accumulated amortization	(41,900)	(41,900)
Total Other Assets	-	-
Total Assets	\$ 2,851,717	\$ 2,192,876
Liabilities and Members' Capital		
Current Liabilities		
Accounts payable	\$ 270,187	\$ 284,246
Accrued liabilities	42,436	14,733
Contract liabilities - current	9,784	10,326
Total Current Liabilities	322,407	309,305
Long-Term Liabilities		
Contract liabilities - noncurrent	104,228	113,470
Members' Capital	2,425,082	1,770,101
Total Liabilities and Members' Capital	\$ 2,851,717	\$ 2,192,876

The accompanying notes are an integral part of these financial statements.

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Statements of Income
For the Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues		
Royalties	\$ 3,765,198	\$ 3,451,186
Transfer fees	39,082	27,000
Treat center commissions	17,289	15,296
Initial franchise fees earned	9,784	10,326
Total Revenues	<u>3,831,353</u>	<u>3,503,808</u>
Operating Expenses		
Royalty fee	947,650	864,720
Wages	750,377	694,789
Payroll taxes and benefits	214,373	198,817
Administrative expense	104,535	116,884
Professional services	49,954	67,259
Travel	39,611	52,477
Contract service	28,836	28,941
Store incentives	26,471	20,765
Telephone	17,234	15,561
Insurance	11,753	6,597
Website	11,428	11,328
Office supplies	9,156	5,562
Depreciation	7,384	9,941
Promotional expense	4,423	4,316
Meetings and conventions	3,300	17,937
Rent	2,756	2,445
Postage and delivery	2,337	1,258
Store design assistance	300	2,550
Total Operating Expenses	<u>2,231,878</u>	<u>2,122,147</u>
Income from Operations	<u>1,599,475</u>	<u>1,381,661</u>
Other Income		
Interest income	71,798	49,271
Other income	950	753
Total Other Income	<u>72,748</u>	<u>50,024</u>
Net Income	<u>\$ 1,672,223</u>	<u>\$ 1,431,685</u>

The accompanying notes are an integral part of these financial statements.

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Statements of Changes in Members' Capital
For the Years Ended December 31, 2024 and 2023

	<u>Muriel Brown Trust</u>	<u>Willis Brown FBO James Brown</u>	<u>Willis Brown FBO Christy Brown</u>	<u>Total</u>
Members' Capital Balances December 31, 2022	\$ 2,066,267	\$ (316,275)	\$ (316,475)	\$ 1,433,517
Net income	357,921	536,882	536,882	1,431,685
Distributions	<u>-</u>	<u>(554,256)</u>	<u>(540,845)</u>	<u>(1,095,101)</u>
Members' Capital Balances December 31, 2023	2,424,188	(333,649)	(320,438)	1,770,101
Net income	418,055	627,084	627,084	1,672,223
Distributions	<u>-</u>	<u>(506,738)</u>	<u>(510,504)</u>	<u>(1,017,242)</u>
Members' Capital Balances December 31, 2024	<u>\$ 2,842,243</u>	<u>\$ (213,303)</u>	<u>\$ (203,858)</u>	<u>\$ 2,425,082</u>

The accompanying notes are an integral part of these financial statements.

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Statements of Cash Flows
For the Years Ended December 31, 2024 and 2023

	2024	2023
Cash Flows From Operating Activities		
Net income	\$ 1,672,223	\$ 1,431,685
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	7,384	9,941
(Increase) decrease in:		
Accounts receivable	3,723	(90,168)
Note receivable	-	20,666
Increase (decrease) in:		
Accounts payable	(14,059)	65,114
Accrued liabilities	27,703	86
Contract liabilities	(9,784)	(10,326)
Net Cash Flows From Operating Activities	1,687,190	1,426,998
Cash Flows From Investing Activities		
Purchase of property & equipment	(23,536)	(3,857)
Purchase of held-to-maturity securities	1,994	(741,611)
Net Cash Flows From Investing Activities	(21,542)	(745,468)
Cash Flows From Financing Activities		
Members' distributions	(1,017,242)	(1,095,101)
Net Cash Flows From Financing Activities	(1,017,242)	(1,095,101)
Net Increase (Decrease) in Cash and Cash Equivalents	648,406	(413,571)
Cash and Cash Equivalents, Beginning of Year	1,017,029	1,430,600
Cash and Cash Equivalents, End of Year	\$ 1,665,435	\$ 1,017,029

The accompanying notes are an integral part of these financial statements.

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Notes to Financial Statements
For the Years Ended December 31, 2024 and 2023

1. ORGANIZATION

Dairy Queen Montana/North Dakota LLC (the Company) is a Montana limited liability company. The limited liability company is a term company. The term specified for the limited liability company is fifty years, terminating December 31, 2052. The Company is engaged in one business segment -- developing, licensing, franchising, and servicing a system of retail stores featuring over-the-counter sales of dairy desserts, food, and beverages. The Company is a licensed territory operator of American Dairy Queen Corporation for the states of Montana and North Dakota. The Company had 74 and 73 operating stores in 2024 and 2023, respectively.

Following a change to the ownership structure during 2013, income and losses from operations are allocated 25% to the Muriel Brown Trust, 37.5% to Willis Brown FBO James Brown, and 37.5% to Willis Brown FBO Christy Brown. Prior to 2013, income and losses from operations were allocated 25% to the Muriel Brown Trust, 12.69% to the Willis Brown Bypass Trust, and 62.31% to the Willis Brown QTIP Trust. A detailed description of the allocations can be found in the operating agreement.

The operating agreement includes a provision whereby the members have no further obligation to contribute additional amounts of capital to the Company. In addition, the liability of the members of the Company is limited to the members' total capital contribution.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Company are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant receivables, payables, and other accrued assets and liabilities.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash on deposit and interest bearing investments due on demand.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property & Equipment - Property and equipment are carried at cost. Depreciation of property and equipment is provided for using the straight-line method for financial reporting purposes over the estimated useful lives of the assets, which are generally from three to five years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized. The cost of maintenance and repairs are charged to expense as incurred; significant renewals or betterments are capitalized.

Franchise Costs - The Company amortizes its franchise cost using the straight line method over a period of forty years from the acquisition date of June 1, 1963. No amortization is allowed for income tax purposes. Franchise costs were fully amortized at December 31, 2024 and 2023.

(Continued)

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Notes to Financial Statements
For the Years Ended December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740 - ASC 740 addresses financial accounting and reporting for the effects of income taxes that result from an entity's activities during the current and preceding years. The Company is not a taxpaying entity, thus, no provision for income taxes has been recorded in the financial statements. All tax effects of the Company are passed through to the Members. Dairy Queen Montana/North Dakota LLC files income tax returns in the United States federal jurisdiction and in the Montana, North Dakota, and New York state jurisdictions. Federal tax authorities generally have the right to examine and audit a tax return within three years from when a return was due or was filed, whichever is later. The state tax authorities generally have the right to examine and audit a tax return within three years from when a return was due or was filed, whichever is later in North Dakota and New York, and five years after the later of the date the return is filed or the date the return is due in Montana. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. As of December 31, 2024 and 2023, the Company has recognized interest and penalties in the amount of \$0 and \$0, respectively. The Company had no accruals for interest and penalties as of December 31, 2024 and 2023.

Revenue Recognition - The Company's sources of revenue from contracts with customers include sales royalties, transfer fees, treat center commissions, and initial franchise fees. Substantially all of the Company's revenue is from contracts with customers. During 2020 the Company adopted FASB ASU 2014-09. The core principle of the guidance is that an entity should recognize revenue for the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods and services.

The Company recognizes revenue in several ways outlined in each operating agreement, such as, start-up fees, transfer fees, and commissions. The Company recognizes revenue from initial franchise fees paid by licensees over the term of the franchise agreement, generally twenty years. Services provided in connection with the initial franchise fees includes processing the Licensee's application and assisting the Licensee with opening the store. The Company has determined that the initial franchise fees are highly dependent upon and interrelated with the franchise right granted in the franchise agreement. During 2024 and 2023, the Company received revenue from new store start-up fees from no stores. Direct costs related to each store opening are expensed as incurred.

The Company recognizes revenue from transfer fees earned from contracts with customers related to the transfer of the right to operate a location from an existing licensee to a prospective licensee. Revenue from transfer fees is recognized when the licensee transfers ownership to a different owner, as outlined in each operating agreement, as that is the point in time at which provisional consent for the transfer of the license is granted by the Company to the prospective licensee. Direct costs related to each transfer are expensed as incurred. During 2024 and 2023, the Company received transfer revenue for the transfer of ownership of six stores and five stores, respectively.

Commissions are earned on the sales at various "Treat Center" locations, operated under an agreement with American Dairy Queen, are not subject to the same fee structure as the other locations. Direct costs related to commissions are expensed as incurred. Continuing fees are recognized as earned, with an appropriate provision for estimated uncollectible amounts charged to administrative expense.

Various economic factors affect revenues and cash flows from the Company's contracts with customers. These factors include competition from other restaurant companies, change in consumer taste and preferences, and the fact that the Company's financial results are impacted to a large extent by the operating results of licensees.

(Continued)

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Notes to Financial Statements
For the Years Ended December 31, 2024 and 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Royalty Income - The Company receives royalty income from franchises operating in its territory. The amount of revenue received varies among the different franchises based upon the type of store and the original agreement. Royalties are generally based upon a percentage of gross revenues and/or a flat fee per gallon of ice cream sold. Revenue is recognized as store sales occur, generally monthly, and are due in the month subsequent to when the sales occurred.

Accounts Receivable and Allowance for Credit Losses - Accounts receivable represent royalties owed to the Company from individual store locations as part of its contracts with customers. Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Net accounts receivable unrelated to contracts with customers are expected to be collected in full within one year of the date of the balance sheet. Allowances, if applicable, are made based on management's assessment of the credit history with stores having outstanding balances and current relationships with them, on the financial statements for any accounts estimated to be uncollectible. At December 31, 2024 and 2023, the allowance for credit losses was \$0 and \$0, respectively, and the Company recognized bad debt recovery of \$0 and \$0 respectively. See note below for more information.

Operating Expenses - Operating, selling, and general and administrative expenses include all operating costs of the Company.

Advertising Costs - Advertising costs are included in administrative expenses and are expensed as incurred.

Concentration of Credit Risk - At times the Company maintains cash deposits in excess of FDIC coverage limits. At December 31, 2024 and 2023, the total cash deposits in excess of FDIC limits were \$1,142,139 and \$627,285, respectively. The Company has not experienced any losses as of December 31, 2024 and 2023.

3. SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 2, 2025, the date on which the financial statements were available to be issued.

4. DEFINED CONTRIBUTION PLAN

Until February 2014, the Company had a SIMPLE IRA plan in which all employees could participate. Under the SIMPLE IRA plan, the Company matched employees' contributions based on a percentage of salary contributed by participants up to 3%.

In March 2014, the Company converted their SIMPLE IRA plan to a contributory profit sharing plan as defined under Section 401(k) of the U.S. Internal Revenue Code covering all employees. During 2024 and 2023, the Company made contributions to this plan at a rate of 3% of salary and an additional .50% for each additional percentage point contributed by the employee above 3%. For example, if an employee contributes 4%, the Company contributes 3.50%. There is no vesting period with respect to the employer contributions. Employer contributions during the years ended December 31, 2024 and 2023 were \$29,896 and \$27,689, respectively.

(Continued)

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Notes to Financial Statements
For the Years Ended December 31, 2024 and 2023

5. COMPENSATED ABSENCES

Employees of the Company are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The company's policy is to recognize the costs of compensated absences when actually paid to employees.

6. STORE INCENTIVE PROGRAMS

The Company periodically offers an incentive program for franchisees who improve their existing stores or build a new store. The programs typically offer an incentive equal to the lesser of a percentage of specific capital costs of improving or building a restaurant or a specified incentive dollar limit. The Company recognized \$26,471 and \$20,765 in operating expenses for cash incentives paid to licensees for the years ended December 31, 2024 and 2023, respectively.

7. CONTRACTS WITH CUSTOMERS

Contract balances with customers consist of the following:

	<u>Balance at</u> <u>January 1, 2023</u>	<u>Balance at</u> <u>December 31, 2023</u>	<u>Balance at</u> <u>December 31, 2024</u>
<i>Operating Agreements</i>			
Accounts receivable, net	339,061	429,229	422,906
Contract liabilities	134,122	123,796	114,012

Operating Agreements

The Company recognizes revenue related to its' operating agreements as described in Note 2. The contracts outline payments related to Sales Royalties and Treat Center Commissions, transfer fees and initial franchise fees. Receivables have been recorded for sales royalties earned for which payment has not been received, net of an allowance for Sales Royalties estimated to be uncollectible. Contract liabilities have been recorded for the payment of initial franchise fees received in advance of satisfaction of performance obligations.

The following schedule sets forth the anticipated timeline for revenue recognition on unsatisfied performance obligations under existing contracts with customers as of December 31, 2024:

2025	\$	9,201
2026		9,201
2027		9,201
2028		9,201
2029		7,840
Thereafter		69,368
		\$ 114,012

8. RELATED PARTY TRANSACTIONS

From time to time, the Company will advance funds to its members. No such transactions occurred during 2024 or 2023.

(Continued)

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Notes to Financial Statements
For the Years Ended December 31, 2024 and 2023

9. HELD-TO-MATURITY SECURITIES

The Company holds U.S. Treasury bills classified as held-to-maturity securities, which are reported on the balance sheet under this category. These securities represent short-term debt instruments issued by the U.S. government. Specifically, the Company holds three treasury bills: a 13-week bill, a 26-week bill, and a 52-week bill, each with a face value of \$250,000.

The carrying amount of these treasury bills is reported at amortized cost, which reflects the original purchase price adjusted for discounts. The amortized cost of the 13-week bills was \$248,014 for the year ended December 31, 2024, and \$249,078 for the year ended December 31, 2023. This bill matures on March 5, 2025. The amortized cost of the 26-week bills was \$246,213 for the year ended December 31, 2024, and \$245,962 for the year ended December 31, 2023. This bill matures on May 7, 2025. The amortized cost of the 52-week bills was \$245,390 for the year ended December 31, 2024, and \$246,571 for the year ended December 31, 2023. This bill matures on May 15, 2025. Upon maturity of each of these bills, the Company intends to repurchase a similar U.S. Treasury bill to maintain its portfolio of short-term, low-risk securities, in line with its investment strategy. Given their low risk nature, no credit loss risk has been assessed for these U.S. government investments.

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The accompanying financial statements and report are intended for the original recipient. They must be presented in their entirety and may not be modified in any manner.

DQ OF MT/ND-0724
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DAIRY QUEEN MONTANA/NORTH DAKOTA LLC
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
DECEMBER 31, 2023 AND 2022

DQ OF MT/ND-0724
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DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

FINANCIAL STATEMENTS
For the Years Ended December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To the Members
Dairy Queen Montana/North Dakota LLC
Missoula, Montana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Dairy Queen Montana/North Dakota LLC, which comprise the balance sheet as of December 31, 2023 and 2022, and the related statements of income, members' capital, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dairy Queen Montana/North Dakota LLC as of December 31, 2023 and 2022, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dairy Queen Montana/North Dakota LLC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Dairy Queen Montana/North Dakota LLC's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements may be considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Dairy Queen Montana/North Dakota LLC's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Dairy Queen Montana/North Dakota LLC's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



Missoula, Montana
July 11, 2024

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Balance Sheets
December 31, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and cash equivalents	\$ 1,017,029	\$ 1,430,600
Accounts receivable, net	429,229	339,061
Note receivable - current	-	20,666
Held-to-maturity securities	741,611	-
Total Current Assets	2,187,869	1,790,327
Property & Equipment		
Office equipment	41,439	37,582
Automobiles	22,321	22,321
Less accumulated depreciation	(58,753)	(48,812)
Total Property & Equipment, Net	5,007	11,091
Other Assets		
Franchise rights	41,900	41,900
Less accumulated amortization	(41,900)	(41,900)
Total Other Assets	-	-
Total Assets	\$ 2,192,876	\$ 1,801,418
Liabilities and Members' Capital		
Current Liabilities		
Accounts payable	\$ 284,246	\$ 219,132
Accrued liabilities	14,733	14,647
Contract liabilities - current	10,326	10,701
Total Current Liabilities	309,305	244,480
Long-Term Liabilities		
Contract liabilities - noncurrent	113,470	123,421
Members' Capital	1,770,101	1,433,517
Total Liabilities and Members' Capital	\$ 2,192,876	\$ 1,801,418

The accompanying notes are an integral part of these financial statements.

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Statements of Income
For the Years Ended December 31, 2023 and 2022

	2023	2022
Revenues		
Royalties	\$ 3,451,186	\$ 3,252,300
Transfer fees	27,000	5,500
Treat center commissions	15,296	15,344
Initial franchise fees earned	10,326	10,701
Total Revenues	3,503,808	3,283,845
Operating Expenses		
Royalty fee	864,720	816,864
Wages	694,789	635,928
Payroll taxes and benefits	198,817	172,410
Administrative expense	116,884	23,075
Professional services	67,259	48,250
Travel	52,477	31,241
Contract service	28,941	22,729
Store incentives	20,765	31,416
Meetings and conventions	17,937	9,488
Telephone	15,561	15,589
Website	11,328	10,838
Depreciation	9,941	7,932
Insurance	6,597	5,085
Promotional expense	4,316	2,538
Office supplies	5,562	3,081
Rent	2,445	3,257
Store design assistance	2,550	5,556
Repairs and maintenance	-	475
Postage and delivery	1,258	1,202
Total Operating Expenses	2,122,147	1,846,954
Income from Operations	1,381,661	1,436,891
Other Income		
Interest income	49,271	3,403
Other income	753	-
Total Other Income	50,024	3,403
Net Income	\$ 1,431,685	\$ 1,440,294

The accompanying notes are an integral part of these financial statements.

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Statements of Changes in Members' Capital
For the Years Ended December 31, 2023 and 2022

	<u>Muriel Brown Trust</u>	<u>Willis Brown FBO James Brown</u>	<u>Willis Brown FBO Christy Brown</u>	<u>Total</u>
Members' Capital Balances December 31, 2021	\$ 1,706,193	\$ 2,615	\$ 12,707	\$ 1,721,515
Net income	360,074	540,110	540,110	1,440,294
Distributions	-	(859,000)	(869,292)	(1,728,292)
Members' Capital Balances December 31, 2022	2,066,267	(316,275)	(316,475)	1,433,517
Net income	357,921	536,882	536,882	1,431,685
Distributions	-	(554,256)	(540,845)	(1,095,101)
Members' Capital Balances December 31, 2023	<u>\$ 2,424,188</u>	<u>\$ (333,649)</u>	<u>\$ (320,438)</u>	<u>\$ 1,770,101</u>

The accompanying notes are an integral part of these financial statements.

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Statements of Cash Flows
For the Years Ended December 31, 2023 and 2022

	2023	2022
Cash Flows From Operating Activities		
Net income	\$ 1,431,685	\$ 1,440,294
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	9,941	7,932
(Increase) decrease in:		
Accounts receivable	(90,168)	13,160
Note receivable	20,666	9,912
Increase (decrease) in:		
Accounts payable	65,114	(24,582)
Accrued liabilities	86	5,591
Contract liabilities	(10,326)	14,299
Net Cash Flows From Operating Activities	1,426,998	1,466,606
Cash Flows From Investing Activities		
Purchase of property & equipment	(3,857)	(1,849)
Purchase of held-to-maturity securities	(741,611)	-
Net Cash Flows From Investing Activities	(745,468)	(1,849)
Cash Flows From Financing Activities		
Members' distributions	(1,095,101)	(1,728,292)
Net Cash Flows From Financing Activities	(1,095,101)	(1,728,292)
Net Increase (Decrease) in Cash and Cash Equivalents	(413,571)	(263,535)
Cash and Cash Equivalents, Beginning of Year	1,430,600	1,694,135
Cash and Cash Equivalents, End of Year	\$ 1,017,029	\$ 1,430,600
<u>Supplemental Disclosure of Cash Flow Information:</u>		
Cash Paid During the Year for Interest	\$ -	\$ 8

The accompanying notes are an integral part of these financial statements.

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

1. ORGANIZATION

Dairy Queen Montana/North Dakota LLC (the Company) is a Montana limited liability company. The limited liability company is a term company. The term specified for the limited liability company is fifty years, terminating December 31, 2052. The Company is engaged in one business segment -- developing, licensing, franchising, and servicing a system of retail stores featuring over-the-counter sales of dairy desserts, food, and beverages. The Company is a licensed territory operator of American Dairy Queen Corporation for the states of Montana and North Dakota. The Company had 73 and 71 operating stores in 2023 and 2022, respectively.

Following a change to the ownership structure during 2013, income and losses from operations are allocated 25% to the Muriel Brown Trust, 37.5% to Willis Brown FBO James Brown, and 37.5% to Willis Brown FBO Christy Brown. Prior to 2013, income and losses from operations were allocated 25% to the Muriel Brown Trust, 12.69% to the Willis Brown Bypass Trust, and 62.31% to the Willis Brown QHIP Trust. A detailed description of the allocations can be found in the operating agreement.

The operating agreement includes a provision whereby the members have no further obligation to contribute additional amounts of capital to the Company. In addition, the liability of the members of the Company is limited to the members' total capital contribution.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting - The financial statements of the Company are prepared on the accrual basis of accounting and in accordance with accounting principles generally accepted in the United States of America and, accordingly, reflect all significant receivables, payables, and other accrued assets and liabilities.

Cash and Cash Equivalents - Cash and cash equivalents consist of cash on deposit and interest bearing investments due on demand.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property & Equipment - Property and equipment are carried at cost. Depreciation of property and equipment is provided for using the straight-line method for financial reporting purposes over the estimated useful lives of the assets, which are generally from three to five years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized. The cost of maintenance and repairs are charged to expense as incurred; significant renewals or betterments are capitalized.

Franchise Costs - The Company amortizes its franchise cost using the straight line method over a period of forty years from the acquisition date of June 1, 1963. No amortization is allowed for income tax purposes. Franchise costs were fully amortized at December 31, 2023 and 2022.

(Continued)

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DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 740 - ASC 740 addresses financial accounting and reporting for the effects of income taxes that result from an entity's activities during the current and preceding years. The Company is not a taxpaying entity, thus, no provision for income taxes has been recorded in the financial statements. All tax effects of the Company are passed through to the Members. Dairy Queen Montana/North Dakota LLC files income tax returns in the United States federal jurisdiction and in the Montana, North Dakota, and New York state jurisdictions. Federal tax authorities generally have the right to examine and audit a tax return within three years from when a return was due or was filed, whichever is later. The state tax authorities generally have the right to examine and audit a tax return within three years from when a return was due or was filed, whichever is later in North Dakota and New York, and five years after the later of the date the return is filed or the date the return is due in Montana. The Company recognizes interest accrued related to unrecognized tax benefits in interest expense and penalties in operating expenses. As of December 31, 2023 and 2022, the Company has recognized interest and penalties in the amount of \$0 and \$0, respectively. The Company had no accruals for interest and penalties as of December 31, 2023 and 2022.

Revenue Recognition - The Company's sources of revenue from contracts with customers include sales royalties, transfer fees, treat center commissions, and initial franchise fees. Substantially all of the Company's revenue is from contracts with customers. During 2020 the Company adopted FASB ASU 2014-09. The core principle of the guidance is that an entity should recognize revenue for the transfer of promised goods or services to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods and services.

The Company recognizes revenue in several ways outlined in each operating agreement, such as, start-up fees, transfer fees, and commissions. The Company recognizes revenue from initial franchise fees paid by licensees over the term of the franchise agreement, generally twenty years. Services provided in connection with the initial franchise fees includes processing the Licensee's application and assisting the Licensee with opening the store. The Company has determined that the initial franchise fees are highly dependent upon and interrelated with the franchise right granted in the franchise agreement. During 2023 and 2022, the Company received revenue from new store start-up fees from 0 and 1 stores, respectively. Direct costs related to each store opening are expensed as incurred.

The Company recognizes revenue from transfer fees earned from contracts with customers related to the transfer of the right to operate a location from an existing licensee to a prospective licensee. Revenue from transfer fees is recognized when the licensee transfers ownership to a different owner, as outlined in each operating agreement, as that is the point in time at which provisional consent for the transfer of the license is granted by the Company to the prospective licensee. Direct costs related to each transfer are expensed as incurred. During 2023 and 2022, the Company received transfer revenue for the transfer of ownership of 5 stores and 2 stores, respectively.

Commissions are earned on the sales at various "Treat Center" locations, operated under an agreement with American Dairy Queen, are not subject to the same fee structure as the other locations. Direct costs related to commissions are expensed as incurred. Continuing fees are recognized as earned, with an appropriate provision for estimated uncollectible amounts charged to administrative expense.

Various economic factors affect revenues and cash flows from the Company's contracts with customers. These factors include competition from other restaurant companies, change in consumer taste and preferences, and the fact that the Company's financial results are impacted to a large extent by the operating results of licensees.

(Continued)

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Royalty Income - The Company receives royalty income from franchises operating in its territory. The amount of revenue received varies among the different franchises based upon the type of store and the original agreement. Royalties are generally based upon a percentage of gross revenues and/or a flat fee per gallon of ice cream sold. Revenue is recognized as store sales occur, generally monthly, and are due in the month subsequent to when the sales occurred.

Accounts Receivable and Allowance for Credit Losses - Accounts receivable represent royalties owed to the Company from individual store locations as part of its contracts with customers. Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Net accounts receivable unrelated to contracts with customers are expected to be collected in full within one year of the date of the balance sheet. Allowances, if applicable, are made based on management's assessment of the credit history with stores having outstanding balances and current relationships with them, on the financial statements for any accounts estimated to be uncollectible. At December 31, 2023 and 2022, the allowance for credit losses was \$0 and \$0, respectively, and the Company recognized bad debt recovery of \$0 and \$0 respectively. See note 7 below for more information.

Operating Expenses - Operating, selling, and general and administrative expenses include all operating costs of the Company.

Advertising Costs - Advertising costs are included in administrative expenses and are expensed as incurred.

Concentration of Credit Risk - At times the Company maintains cash deposits in excess of FDIC coverage limits. At December 31, 2023 and 2022, the total cash deposits in excess of FDIC limits were \$627,285 and \$1,180,600, respectively. The Company has not experienced any losses as of December 31, 2023 and 2022.

3. SUBSEQUENT EVENTS

Management has evaluated subsequent events through July 11, 2024, the date on which the financial statements were available to be issued.

4. DEFINED CONTRIBUTION PLAN

Until February 2014, the Company had a SIMPLE IRA plan in which all employees could participate. Under the SIMPLE IRA plan, the Company matched employees' contributions based on a percentage of salary contributed by participants up to 3%.

In March 2014, the Company converted their SIMPLE IRA plan to a contributory profit sharing plan as defined under Section 401(k) of the U.S. Internal Revenue Code covering all employees. During 2023 and 2022, the Company made contributions to this plan at a rate of 3% of salary and an additional .50% for each additional percentage point contributed by the employee above 3%. For example, if an employee contributes 4%, the Company contributes 3.50%. There is no vesting period with respect to the employer contributions. Employer contributions during the years ended December 31, 2023 and 2022 were \$27,689 and \$25,316, respectively.

(Continued)

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DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

5. COMPENSATED ABSENCES

Employees of the Company are entitled to paid vacation, paid sick days, and personal days off, depending on job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The company's policy is to recognize the costs of compensated absences when actually paid to employees.

6. STORE INCENTIVE PROGRAMS

The Company periodically offers an incentive program for franchisees who improve their existing stores or build a new store. The programs typically offer an incentive equal to the lesser of a percentage of specific capital costs of improving or building a restaurant or a specified incentive dollar limit. The Company recognized \$20,765 and \$31,416 in operating expenses for cash incentives paid to licensees for the years ended December 31, 2023 and 2022.

7. CHANGE IN ACCOUNTING PRINCIPLE

Effective January 1, 2023, the Company adopted ASU 2016-13, *Financial Instruments - Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, inclusive of the following additional ASU's, which amend and clarify guidance on Topic 326: ASU 2018-19, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses*, ASU 2019-04, *Codification Improvements to Topic 326, ASU 2019-5, Financial Instruments - Credit Losses* (Topic 326): *Targeted Transition Relief*, ASU 2019-10, *Financial Instruments - Credit Losses* (Topic 326), ASU 2019-11, *Codification Improvements to Topic 326, Financial Instruments - Credit Losses*, ASU 2020-02, *Financial Instruments - Credit Losses* (Topic 326), ASU 2020-03, *Codification Improvements to Financial Statements*, and ASU 2022-02, *Financial Instruments - Credit Losses* (Topic 326): *Troubled Debt Restructurings and Vintage Disclosures*.

As of December 31, 2023, the Company has assessed their accounts receivable for expected credit losses based on the new requirements of Topic 326. The methodologies utilized by the Company to estimate possible credit losses include the following: an aging matrix approach to estimate credit losses on accounts receivable; historical loss data, current economic conditions, and reasonable forecasts are considered; and, classification of accounts receivable into relevant risk categories based on customer creditworthiness.

After thorough analysis, the Company has determined that there is no expected credit loss for their accounts receivable. This conclusion is based on the following factors: the Company's accounts receivable consists of selective, creditworthy customers with a history of timely payments, the Company maintains effective collection procedures and closely monitors credit quality, and the overall economic environment in the industry remains stable with no indications of significant credit risk.

Thus, the allowance for credit losses related to accounts receivable has been recognized as zero in the financial statements. This reflects the Company's assessment that the credit risk associated with their accounts receivable is minimal. The Company will continue to monitor credit risk and adjust its estimates if necessary. See note 2 above, and note 8 below, for more information.

(Continued)

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DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

8. CONTRACTS WITH CUSTOMERS

Contract balances with customers consist of the following:

	<u>Balance at</u> <u>December 31, 2022</u>	<u>Balance at</u> <u>December 31, 2023</u>
<i>Operating Agreements</i>		
Accounts receivable, net	339,061	429,229
Contract liabilities	134,122	123,796

Operating Agreements

The Company recognizes revenue related to its' operating agreements as described in Note 2. The contracts outline payments related to Sales Royalties and Treat Center Commissions, transfer fees and initial franchise fees. Receivables have been recorded for sales royalties earned for which payment has not been received, net of an allowance for Sales Royalties estimated to be uncollectible. Contract liabilities have been recorded for the payment of initial franchise fees received in advance of satisfaction of performance obligations.

The following schedule sets forth the anticipated timeline for revenue recognition on unsatisfied performance obligations under existing contracts with customers as of December 31, 2023:

2024	\$ 9,784
2025	9,201
2026	9,201
2027	9,201
2028	9,201
Thereafter	<u>77,208</u>
	<u>\$ 123,796</u>

9. RELATED PARTY TRANSACTIONS

From time to time, the Company will advance funds to its members. No such transactions occurred during 2023 or 2022.

10. NOTE RECEIVABLE

During 2020, one of the individual stores signed a promissory note to the Company related to the underpayment of prior year sales royalties. The note was payable in thirty-six monthly installments of \$1,610, with interest compounded monthly at 0.51%, and matured in August of 2023. Interest income recorded in the statement of activities related to the note for the year ended December 31, 2023 and 2022 was \$285 and \$1,346, respectively.

During 2022, a payback agreement was reached with the new franchisees for the Dickinson store, for amounts owed by the prior franchisee. This note matured in October of 2023. No interest was income was recorded for this agreement.

(Continued)

DAIRY QUEEN MONTANA/NORTH DAKOTA LLC

Notes to Financial Statements
For the Years Ended December 31, 2023 and 2022

11. HELD-TO-MATURITY SECURITIES

The Company holds U.S. Treasury bills classified as held-to-maturity. These securities appear on the balance sheet as held-to-maturity securities and represent short-term debt instruments issued by the U.S. government. Specifically, there are three treasury bills: a 13-week bill, a 26-week bill, and a 52-week bill, each with face values of \$250,000. The carrying amount of these treasury bills is reported at amortized cost, reflecting the original purchase price adjusted for discounts. As of December 31, 2023, the amortized cost of the 13 - week, 26 - week, and 52 - week bills was \$249,078, \$245,962, and \$246,571, respectively. Given their low risk nature, no credit loss risk has been assessed for these U.S. government investments.

EXHIBIT K

IDQ'S FINANCIAL STATEMENTS

**International Dairy Queen, Inc.
(A wholly-owned subsidiary of Berkshire Hathaway)**

**(As of December 31, 2024 and 2023, and for the three years
in the period ended December 31, 2024)**

International Dairy Queen, Inc. and Subsidiaries

(A Wholly Owned Subsidiary of Berkshire
Hathaway Inc.)

Consolidated Financial Statements as of
December 31, 2024 and 2023, and for the
Years Ended December 31, 2024, 2023, and 2022,
and Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
International Dairy Queen, Inc.
Minneapolis, Minnesota

Opinion

We have audited the consolidated financial statements of International Dairy Queen, Inc. and subsidiaries (the "Company"), a wholly owned subsidiary of Berkshire Hathaway, Inc., which comprise the consolidated balance sheets as of December 31, 2024 and 2023, and the related consolidated statements of operations and comprehensive income, changes in stockholder's equity, and cash flows for each of the three years in the period ended December 31, 2024, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2024 and 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Deloitte & Touche LLP

February 7, 2025

INTERNATIONAL DAIRY QUEEN, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Berkshire Hathaway Inc.)
Consolidated Balance Sheets

In thousands

Assets	December 31	
	2024	2023
Current assets		
Cash and cash equivalents	\$ 27,271	\$ 27,032
Notes and accounts receivable—less allowance of \$1,501 and \$903 in 2024 and 2023, respectively	50,352	50,742
Income tax receivable	7,731	1,292
Cash pooling receivable from affiliate	44,559	55,807
Inventories	120	118
Prepaid expenses	<u>2,047</u>	<u>2,604</u>
Total current assets	<u>132,080</u>	<u>137,595</u>
Noncurrent assets		
Property and equipment, net	10,903	12,309
Goodwill	92,023	92,214
Intangibles, net	82,398	80,049
Operating lease assets	5,090	5,799
Other	<u>33,412</u>	<u>32,547</u>
Total noncurrent assets	<u>223,826</u>	<u>222,918</u>
Total assets	<u>\$ 355,906</u>	<u>\$ 360,513</u>
Liabilities and Stockholder's Equity		
Current liabilities		
Accounts payable	\$ 27,026	\$ 24,348
Committed advertising	39,844	35,618
Unredeemed gift card liabilities	102,697	97,376
Other liabilities	36,889	38,613
Current portion of operating lease liabilities	<u>1,004</u>	<u>962</u>
Total current liabilities	<u>207,460</u>	<u>196,917</u>
Noncurrent liabilities		
Deferred franchise income	3,024	2,816
Deferred income taxes—net	17,652	17,337
Long-term operating lease liabilities	7,305	8,365
Other long-term liabilities	<u>40,155</u>	<u>41,702</u>
Total noncurrent liabilities	<u>68,136</u>	<u>70,220</u>
Total liabilities	<u>275,596</u>	<u>267,137</u>
Commitments and contingencies		
Stockholder's equity		
Class A common stock, \$0.01 par value—authorized and outstanding, 1,000 shares	-	-
Additional paid-in capital	152,197	152,197
Retained deficit	(68,411)	(56,286)
Accumulated other comprehensive loss	<u>(3,476)</u>	<u>(2,535)</u>
Total stockholder's equity	<u>80,310</u>	<u>93,376</u>
Total liabilities and stockholder's equity	<u>\$ 355,906</u>	<u>\$ 360,513</u>

See accompanying notes to consolidated financial statements.

INTERNATIONAL DAIRY QUEEN, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Berkshire Hathaway Inc.)
Consolidated Statements of Operations and Comprehensive Income

In thousands

	Years ended December 31		
	2024	2023	2022
Revenues			
Service fees	\$ 198,627	\$ 188,908	\$ 173,116
Other fees and franchise sales	45,681	45,918	46,482
Sales of advertising kits	9,446	9,751	13,939
Sales of company-owned restaurants	3,633	3,412	3,146
Other	<u>254</u>	<u>272</u>	<u>254</u>
Total revenues	<u>257,641</u>	<u>248,261</u>	<u>236,937</u>
Costs and expenses			
Costs of other fees and franchise sales	3,393	2,971	4,919
Cost of sales of advertising kits	8,725	9,090	12,647
Costs of company-owned restaurants	3,913	3,805	3,593
Selling, general, and administrative	<u>115,600</u>	<u>111,911</u>	<u>99,868</u>
Total costs and expenses	<u>131,631</u>	<u>127,777</u>	<u>121,027</u>
Operating income	126,010	120,484	115,910
Net interest income	<u>3,137</u>	<u>3,370</u>	<u>1,249</u>
Income before income taxes	129,147	123,854	117,159
Provision for income taxes	<u>31,272</u>	<u>29,970</u>	<u>28,340</u>
Net income	<u>\$ 97,875</u>	<u>\$ 93,884</u>	<u>\$ 88,819</u>
Comprehensive income, net of tax			
Net income	\$ 97,875	\$ 93,884	\$ 88,819
Other comprehensive (loss) income - changes in cumulative translation adjustment	<u>(941)</u>	<u>(19)</u>	<u>(800)</u>
Comprehensive income	<u>\$ 96,934</u>	<u>\$ 93,865</u>	<u>\$ 88,019</u>

See accompanying notes to consolidated financial statements.

INTERNATIONAL DAIRY QUEEN, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Berkshire Hathaway Inc.)
Consolidated Statements of Changes in Stockholder's Equity

In thousands

	<u>Common stock and additional paid-in capital</u>	<u>Retained (deficit) earnings</u>	<u>Accumulated other comprehensive loss</u>	<u>Total stockholder's equity</u>
BALANCE—December 31, 2021	\$ 152,197	\$ (43,989)	\$ (1,716)	\$ 106,492
Net income	-	88,819	-	88,819
Other comprehensive (loss) income, net	-	-	(800)	(800)
Dividends	<u>-</u>	<u>(85,000)</u>	<u>-</u>	<u>(85,000)</u>
BALANCE—December 31, 2022	152,197	(40,170)	(2,516)	109,511
Net income	-	93,884	-	93,884
Other comprehensive (loss) income, net	-	-	(19)	(19)
Dividends	<u>-</u>	<u>(110,000)</u>	<u>-</u>	<u>(110,000)</u>
BALANCE—December 31, 2023	152,197	(56,286)	(2,535)	93,376
Net income	-	97,875	-	97,875
Other comprehensive (loss) income, net	-	-	(941)	(941)
Dividends	<u>-</u>	<u>(110,000)</u>	<u>-</u>	<u>(110,000)</u>
BALANCE—December 31, 2024	<u>\$ 152,197</u>	<u>\$ (68,411)</u>	<u>\$ (3,476)</u>	<u>\$ 80,310</u>

See accompanying notes to consolidated financial statements.

INTERNATIONAL DAIRY QUEEN, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Berkshire Hathaway Inc.)
Consolidated Statements of Cash Flows

In thousands

	Years ended December 31		
	2024	2023	2022
Operating activities			
Net income	\$ 97,875	\$ 93,884	\$ 88,819
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	3,803	3,351	2,860
Gain on sale of capital assets	(169)	(551)	(337)
Deferred income taxes	315	(2,015)	(418)
Changes in assets and liabilities:			
Notes and accounts receivable	(4)	(1,118)	(1,425)
Inventories, prepaid expenses, and other assets	296	(1,266)	7,861
Accounts payable, accruals, and other liabilities	11,224	24,916	(9,453)
Income taxes	(6,422)	1,588	(3,866)
Long term liabilities and deferred charges	(1,305)	5,146	(3)
Net cash provided by operating activities	<u>105,613</u>	<u>123,935</u>	<u>84,038</u>
Investing activities			
Purchase of franchise rights and other intangibles	-	(20)	-
Capital expenditures and intangible software	(4,888)	(6,439)	(4,047)
Proceeds from the disposal of property and equipment	255	731	411
Net advances to affiliate pursuant to cash pooling arrangement	11,248	(1,616)	(54,191)
Net cash provided by (used in) investing activities	<u>6,615</u>	<u>(7,344)</u>	<u>(57,827)</u>
Financing activities			
Dividends paid	(110,000)	(110,000)	(85,000)
Net cash used in financing activities	<u>(110,000)</u>	<u>(110,000)</u>	<u>(85,000)</u>
Effect of exchange rate changes on cash	(1,989)	234	(1,602)
Net increase (decrease) in cash and cash equivalents	239	6,825	(60,391)
Cash and cash equivalents, beginning of year	<u>27,032</u>	<u>20,207</u>	<u>80,598</u>
Cash and cash equivalents, end of year	<u>\$ 27,271</u>	<u>\$ 27,032</u>	<u>\$ 20,207</u>
Supplementary disclosures to consolidated statements of cash flows			
Cash paid for income taxes, net	<u>\$ 37,288</u>	<u>\$ 30,386</u>	<u>\$ 32,656</u>

See accompanying notes to consolidated financial statements.

INTERNATIONAL DAIRY QUEEN, INC. AND SUBSIDIARIES
(A Wholly Owned Subsidiary of Berkshire Hathaway Inc.)
Notes to Consolidated Financial Statements

In thousands

1. NATURE OF BUSINESS

International Dairy Queen, Inc. (the “Company”) is a wholly owned subsidiary of Berkshire Hathaway Inc. (“Berkshire”). The Company is engaged in developing, licensing, franchising, and servicing a system of approximately 7,700 retail restaurants featuring over-the-counter sales of dairy desserts, food, and blended fruit drinks. On December 31, 2024 and 2023, the Company operated two Dairy Queen restaurants.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation—The consolidated financial statements were prepared in accordance with generally accepted accounting principles (GAAP) in the United States of America and include the accounts of the Company and its affiliates after elimination of all significant intercompany balances and transactions. The Company’s fiscal year ends on December 31.

Cash and Cash Equivalents—Cash equivalents include all short-term investments with an original maturity of 90 days or less. Cash and cash equivalents are recorded at cost, which approximates their fair value.

Notes and Accounts Receivable—Accounts and notes receivable consist primarily of service fees, franchise sales fees, and advertising fees due principally from franchisees and gift card receivables. Accounts receivable are recorded net of an allowance for expected credit losses. The allowance is recognized in an amount equal to anticipated future write-offs. The Company estimates future write-offs based on delinquencies, aging trends, industry risk trends, its historical experience and current trends.

Cash Pooling Receivable from Affiliate—In 2022, the Company began participating in a centralized cash management program (cash pooling) with an affiliate, BH Finance LLC (BH Finance), a wholly owned subsidiary of Berkshire. The agreement with BH Finance allows for day-to-day cash borrowing not to exceed \$10 million with no limit on invested amounts with BH Finance. Loans to the Company bear interest at the one-month SOFR rate. Loans by the Company to BH Finance bear interest at a rate established by BH Finance. The agreement automatically renews on December 31 of each year unless either party gives notice to the other party at least ninety days prior to the renewal date, in which case the amounts must be repaid. Amounts owed to the Company are shown as cash pooling receivable from affiliate.

Inventories—Inventories consist primarily of marketing material created or purchased for resale and are carried at the lower of cost (first-in, first-out) or net realizable value.

Property and Equipment—Property and equipment is stated at historical cost. Depreciation and amortization of property and equipment are computed on the straight-line method over the estimated useful lives of the assets or the remaining term of the lease for leasehold improvements. Estimated useful lives range from 3 to 10 years for equipment, the shorter of 20 years or remaining lease term for

leasehold improvements, and 15 to 40 years for buildings. Significant improvements that extend the lives of property and equipment are capitalized. Costs for repairs and maintenance are charged to expense as incurred. When property is retired or otherwise disposed of, the recorded cost of the assets and their related accumulated depreciation are removed from the Consolidated Balance Sheets and any related gains or losses are included in income.

Recoverability of Long-Lived Assets—The Company reviews the recoverability of long-lived assets, such as property and equipment, for impairment whenever events or changes in circumstances indicate the carrying value of an asset or group of assets may not be recoverable. The Company determines potential impairment by comparing the carrying value of the assets with the net undiscounted cash flows expected to be provided by operating activities of the business or related products. If the sum of the expected future net undiscounted cash flows is less than the carrying value, the Company determines whether an impairment loss should be recognized. An impairment loss is measured by comparing the amount by which the carrying value exceeds the fair value of the assets. Impairment losses on long-lived assets held for sale are determined in a similar manner, except that fair values are reduced for the cost to dispose of the assets. The measurement of impairment requires the Company to estimate future cash flows and the fair value of long-lived assets. The Company did not record any long-lived asset impairments for the years ended December 31, 2024, 2023, and 2022.

Goodwill and Intangibles—Goodwill and indefinite-lived intangibles are recorded in accordance with Accounting Standards Codification (ASC or the “Codification”) 350, *Intangibles—Goodwill and Other*, and ASC 805, *Business Combinations*. The Company evaluates goodwill and indefinite-lived intangibles for impairment at least annually. The Company did not record any goodwill or intangible impairments for the years ended December 31, 2024, 2023, and 2022. Costs associated with the acquisition or development of software for internal use are capitalized and amortized over the expected useful life of the software, generally from 3 to 7 years.

Leases—Leases are recorded in accordance with ASC 842, *Leases* which requires a lessee to recognize a liability to make lease payments and an asset for the right to use the underlying asset for the lease term. A right of use asset and lease liability is recognized for all leases with lease terms greater than one year. Right of use assets are classified as operating lease assets and represent the right to use an underlying asset for the lease term. Lease liabilities are classified as operating lease liabilities and represent the obligation to make lease payments under the lease. Operating lease liabilities are measured based on the non-cancellable lease term using a risk-free interest rate for highly liquid market securities. Operating lease assets are reviewed for impairment whenever events or changes in circumstances indicate that an operating lease asset’s carrying amount may not be recoverable.

Committed Advertising— The Company facilitates the collection of sales promotion funds from franchisees and administers programs to spend the funds for the purpose of growing sales and profits at franchised locations. Contributions to the advertising and marketing funds represent distinct performance obligations to administer the collection, spending and reporting of committed advertising activity. Franchise Advertising Committees, consisting of franchisee-elected representatives independent of the Company, approve annual promotional calendars and associated budgets and monitor performance against these budgets through periodic reporting. As a result, the Company acts as an agent of the committed advertising funds and thus records receipts and disbursements from the funds net on the balance sheet. Committed advertising, when in a net liability position, represents unexpended amounts received from franchisees to finance advertising programs. When in a net asset position, it represents expended amounts to be received from franchisees.

Revenue Recognition—Revenue is recognized when a good or service is transferred to a customer. A good or service is transferred as the customer obtains control of that good or service. Revenues are based on the consideration expected to be received in connection with the Company's promises to deliver goods and services to its customers. Contracts include various combinations of products and services which generally are capable of being distinct and accounted for as separate performance obligations. Substantially all of the Company's revenues are recognized at a point in time which is when services are provided. Sales are recognized net of any taxes collected from customers which are subsequently remitted to governmental authorities.

Service fees represent continuing license fees paid by franchisees and are based on sales activity at franchised locations. Service fee revenue is recognized as the usage of the license occurs which corresponds with the sales at franchised restaurants.

Other fees and franchise sales includes fees related to supply chain, new store development and the administration of franchise contracts. Supply chain fees are recognized at a point in time as products are sold by vendors and distributors to franchised locations. New store development fees are recognized as revenue when the Company's obligations regarding services to be performed in opening a restaurant are fulfilled which is generally at the time the restaurant is opened. Fees associated with the administration of franchise contracts principally relate to sales promotion management fees and fees assessed upon transfer and termination of franchise agreements. Such fees are recognized at a point in time when the services are performed. Sales promotion management fees are recognized as a percentage of sales promotion funds reported as Committed Advertising. Such funds are generated in conjunction with the sales of products at franchised locations and are managed by the Company to provide advertising programs on behalf of its franchisees. The management fees represent revenues of the Company that are earned upon its performance obligation to oversee the collection and administration of sales promotion funds.

A portion of the fees associated with the renewal of franchise agreements and new store development are recognized over the contractual term of the agreement during which time the Company is obligated to provide continuing licensing rights. Unearned revenue, representing a contract liability, is recorded when revenue is recognized subsequent to invoicing and represents revenue related to sales of licensing rights in certain geographic areas, revenue associated with contract renewals, and revenue associated with store openings in which the Company is not required to provide store opening services to franchisees. Unearned revenue is generally invoiced at the beginning of each contract period for multi-year agreements and recognized ratably over the life of the agreement. Unearned revenue is denoted as deferred franchise income on the consolidated balance sheets.

Sales by company-owned restaurants and sales of advertising kits represent the sales of products to customers in restaurants that are owned by the Company and the sale of in-store promotional materials to franchised locations and are recognized at a point in time when control of the product transfers to the customer, which coincides with customer pickup or product delivery or acceptance, depending on terms of the arrangement.

Income Taxes—The Company is included in the consolidated federal tax return of Berkshire. The provision for income taxes included in these consolidated financial statements is prepared on a separate company basis with certain modifications to eliminate the effects of inconsistent conclusions related to realizability as a result of inclusion in the Berkshire consolidated return.

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events

that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the consolidated financial statements and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in income in the period that includes the enactment date.

In general, it is the Company's practice and intention to permanently reinvest the earnings of its Canadian subsidiaries and that position has not changed following payment of the transition tax under the Tax Act. No deferred taxes have been provided for withholding taxes or other taxes that would result upon repatriation of undistributed foreign earnings of approximately \$8.8 million and \$8.5 million as of December 31, 2024 and 2023, respectively. To the extent these earnings are repatriated, foreign tax credits will be available to substantially eliminate any additional U.S. income taxes that might otherwise result from such repatriation.

The Company records net deferred tax assets to the extent it believes these assets will more likely than not be realized. In making such determination, the Company will consider all available positive and negative evidence, including scheduled reversals of deferred tax liabilities, projected future taxable income, tax planning strategies, and recent financial operations. In the event the Company were to determine that it would be able to realize its deferred income tax assets in the future in excess of the net recorded amount, the Company would make an adjustment to the valuation allowance, which would reduce the provision for income taxes. As of December 31, 2024 and 2023, the Company had a valuation allowance of \$3.7 million.

Unredeemed Gift Card Liabilities—The Company sells stored value gift cards of various denominations at Dairy Queen restaurants and other retail stores. Cash receipts from gift card sales are classified as a current liability on the Company's consolidated balance sheets. As gift cards are presented for redemption at Dairy Queen franchised restaurants, the liability is reduced through reimbursement to franchisees for the value redeemed. Based on historical redemption rates, a percentage of gift cards will never be redeemed, and the estimated value of unredeemed gift cards is recognized as gift card breakage reducing the liability. The Company recognizes gift card breakage over time in proportion to actual gift card redemptions. Breakage is recognized as a contribution to the Committed Advertising fund less management fees.

Concentration of Credit Risk—Financial instruments that potentially subject the Company to concentrations of credit risk consist principally of cash equivalent investments, accounts and notes receivable, and cash pooling receivable from affiliate.

The Company places its cash equivalent investments with high-credit-quality financial institutions, with original maturities of 90 days or less and, by policy, limits the amount of credit exposure of any one financial institution. Accounts receivable are generally unsecured; however, concentrations of credit risk with respect to these receivables are limited due to the large number of franchisees and their dispersion across many different geographic areas. Notes receivable are generally secured by the equipment purchased or the existing franchise agreement.

Use of Estimates—The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements, the reported amounts of revenues and expenses during the reporting period and accompanying notes. Accounts

affected by significant estimates include service fee accruals, tax contingencies, and allowance for credit losses. Actual results could differ from those estimates.

Foreign Currency Translation—The financial statements of subsidiaries located outside the United States are measured using the local currency as the functional currency. Assets and liabilities of these subsidiaries are translated at the rates of exchange at the balance sheet date. Income and expense items are translated at average monthly rates of exchange. The resultant translation adjustments are included in accumulated other comprehensive loss, a separate component of stockholder’s equity.

Comprehensive Income—The Company’s comprehensive income consists of net income and foreign currency translation adjustments related to its investment in its Canadian subsidiary.

Retained Deficit—The Company has paid dividends to Berkshire in excess of net income and has resulted in a retained deficit on the consolidated balance sheets as of December 31, 2024 and 2023.

3. PROPERTY AND EQUIPMENT

Property and equipment as of December 31 consisted of the following:

	2024	2023
Property and equipment—at cost:		
Land	\$ 1,408	\$ 1,408
Buildings	1,969	1,966
Leasehold improvements	7,351	7,352
Equipment	7,557	7,227
Vehicles	4,522	4,598
Construction in process	<u>5</u>	<u>-</u>
Property and equipment—at cost	22,812	22,551
Less accumulated depreciation	<u>11,909</u>	<u>10,242</u>
Property and equipment—net	<u>\$ 10,903</u>	<u>\$ 12,309</u>

Depreciation expense for the years ended December 31, 2024, 2023, and 2022, was \$2,341, \$2,378, and \$2,275, respectively.

4. GOODWILL AND OTHER INTANGIBLES

As discussed in Note 2, the Company accounts for goodwill under the provisions of ASC 350 and ASC 805. The Codification requires business combinations to be accounted for using the purchase method of accounting and broadens the criteria for recording intangible assets other than goodwill.

Franchise rights reacquired prior to January 1, 2005, are classified in the consolidated balance sheets as goodwill. The Codification requires franchise rights reacquired subsequent to January 1, 2005, to be recognized as an intangible asset apart from goodwill. Intangibles include any reacquired franchise rights and trademarks/trade names acquired after January 1, 2005.

The Company tests goodwill and indefinite lived intangible assets for impairment on an annual basis, or more frequently if events or changes in circumstances indicate that the asset might be impaired, based on several factors, including operating results, business plans, and future estimated cash flows. The Company has elected to perform its annual tests for indications of goodwill and intangible asset

impairment as of December 31 of each year. Impairment testing is done at a reporting unit level. An impairment loss is recognized when the carrying amount of the reporting unit's net assets exceeds the estimated fair value of the reporting unit. The estimated fair value is determined using a discounted future cash flow analysis.

The net carrying value of goodwill as of December 31, 2024 and 2023, includes \$1.2 million of accumulated impairment. The changes in the carrying value of goodwill for the years ended December 31 were as follows:

	2024	2023
Net carrying value—January 1	\$ 92,214	\$ 92,162
Foreign currency translation	<u>(191)</u>	<u>52</u>
Net carrying value—December 31	<u>\$ 92,023</u>	<u>\$ 92,214</u>

The following is a summary of the components of intangible assets as of December 31:

	<u>2024</u>			<u>2023</u>		
	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Indefinite-lived						
Territorial franchise rights	\$ 73,275	\$ -	\$ 73,275	\$ 73,295	\$ -	\$ 73,295
Definite-lived						
Software	<u>13,619</u>	<u>(4,496)</u>	<u>9,123</u>	<u>9,788</u>	<u>(3,034)</u>	<u>6,754</u>
Total	<u>\$ 86,894</u>	<u>\$ (4,496)</u>	<u>\$ 82,398</u>	<u>\$ 83,083</u>	<u>\$ (3,034)</u>	<u>\$ 80,049</u>

Amortization expense for the years ended December 31, 2024, 2023, and 2022, was \$1,462, \$973, and \$585, respectively.

Estimated future amortization expense is as follows:

Years ending December 31	
2025	\$ 1,899
2026	1,570
2027	1,509
2028	1,498
2029	1,334
Thereafter	<u>1,313</u>
Total	<u>\$ 9,123</u>

5. OTHER ASSETS

Other long-term assets as of December 31 consisted of the following:

	2024	2023
Deferred compensation	\$ 27,222	\$ 24,858
Deferred incentives	6,080	7,627
Notes receivable	92	44
Other	<u>18</u>	<u>18</u>
Total	<u>\$ 33,412</u>	<u>\$ 32,547</u>

The Company has a deferred compensation plan that enables U.S. officers of the Company to defer a specified percentage of their cash compensation into mutual funds within a rabbi trust. The Company accounts for this deferred compensation plan in accordance with ASC 710, *Compensation*. All the funds within the plan are classified as Level 1 in accordance with ASC 820, *Fair Value Measurements and Disclosures*. This classification is based on the ability of these mutual funds to actively trade with enough frequency and volume to enable pricing information to be obtained on an ongoing basis. The Company didn't make any contributions to the plan for the years ended December 31, 2024, 2023, and 2022.

The Company periodically offers an incentive program for franchisees who invest in their stores, including remodels, technology investments, or building new stores. The programs typically offer an incentive equal to the lesser of a percentage of specific capital costs of improving or building a restaurant or a specified incentive dollar limit. The incentives generally are amortized over the period of expected increased economic benefit resulting from the investment, which ranges from 3 to 7 years, depending on the scope of the project. If a location that was awarded an incentive subsequently closes, the Company's policy is to expense the remaining unamortized portion of the incentive in the year of the location closure.

6. OTHER LIABILITIES

Other current liabilities as of December 31 consisted of the following:

	2024	2023
Accrued salaries and benefits	\$ 21,255	\$ 19,259
Charity donations collected from franchisees	6,902	6,640
Deposits	8,098	11,984
Accrued remodel incentives	196	237
Other	<u>438</u>	<u>493</u>
Total	<u>\$ 36,889</u>	<u>\$ 38,613</u>

Other long-term liabilities as of December 31 consisted of the following:

	2024	2023
Deferred compensation	\$ 27,222	\$ 24,858
Incentive compensation	12,755	16,564
Accrued remodel incentives	173	268
Other	<u>5</u>	<u>12</u>
Total	<u>\$ 40,155</u>	<u>\$ 41,702</u>

7. INCOME TAXES

The provision for income taxes for the years ended December 31 consisted of the following:

	2024	2023	2022
Current:			
U.S. federal	\$ 15,192	\$ 16,643	\$ 15,049
State	4,443	4,825	4,341
Foreign	<u>11,322</u>	<u>10,517</u>	<u>9,368</u>
	<u>30,957</u>	<u>31,985</u>	<u>28,758</u>
Deferred:			
U.S. federal	391	(1,695)	(315)
State	85	(274)	(51)
Foreign	<u>(161)</u>	<u>(46)</u>	<u>(52)</u>
	<u>315</u>	<u>(2,015)</u>	<u>(418)</u>
Total	<u>\$ 31,272</u>	<u>\$ 29,970</u>	<u>\$ 28,340</u>

Included in foreign taxes are taxes withheld by foreign countries on dividends and service fees received by U.S. entities.

A reconciliation of differences between the U.S. federal statutory income tax rate and the consolidated effective tax rate for the years ended December 31 were as follows:

	2024	2023	2022
U.S. federal statutory rate	21.00 %	21.00 %	21.00 %
State income tax—net of federal effect	2.77	2.90	2.86
Foreign income tax	0.58	0.82	0.88
Other—net	<u>(0.14)</u>	<u>(0.52)</u>	<u>(0.54)</u>
Consolidated effective tax rate	<u>24.21 %</u>	<u>24.20 %</u>	<u>24.20 %</u>

The Company's deferred tax assets and liabilities as of December 31 were as follows:

	2024	2023
Deferred tax assets:		
Employee benefits	\$ 11,722	\$ 12,497
Notes/accounts receivable/inventory allowances	290	205
Operating lease liability	1,907	2,043
Deferred revenue	641	597
Capitalized research and development	1,279	1,039
Other	<u>-</u>	<u>1,449</u>
Total deferred tax assets	<u>15,839</u>	<u>17,830</u>
Deferred tax liabilities:		
Goodwill and other intangibles	27,871	28,933
Fixed assets	3,256	3,158
Operating lease assets	1,160	1,231
Other	<u>1,204</u>	<u>1,845</u>
Total deferred tax liabilities	<u>33,491</u>	<u>35,167</u>
Net deferred tax liabilities	<u>\$ 17,652</u>	<u>\$ 17,337</u>

A valuation allowance of \$3.7 million after-tax was established for disallowed amortization of Franchise Rights between November 1, 1970 and July 25, 1991.

The Company does not have any unrecognized tax benefits as of December 31, 2024 and 2023.

The Company is subject to taxation in the United States and various state and foreign jurisdictions. The tax years for 2012 through 2024 are subject to examination by the Internal Revenue Service. The expiration of the statute of limitations related to the various state and foreign income tax returns that the Company files varies by jurisdiction; in general, the years 2014 through 2024 remain open for state purposes.

8. LEASES

The Company and its subsidiaries have leases for administrative facilities, equipment, and one retail restaurant facility. Most of the leases require the lessee to pay executory costs (property taxes, maintenance, and insurance) and many of the leases provide for one or more renewal options. The retail restaurant facility lease requires the Company to pay the greater of an annual base rent amount or a percentage of annual gross sales, as defined in the lease agreement.

Total remaining operating lease payments are as follows:

Years ending December 31	
2025	\$ 1,192
2026	1,216
2027	1,235
2028	1,180
2029	1,308
Thereafter	<u>2,941</u>
Total lease payments	9,072
Imputed interest	<u>(763)</u>
Operating lease liabilities	<u>\$ 8,309</u>

The weighted average term of these leases is 6.8 years, 7.7 years, and 8.6 years as of December 31, 2024, 2023 and 2022, respectively, and the weighted average discount rate used to measure operating lease liabilities was 2.38% for the years ended December 31, 2024, 2023, and 2022.

Components of operating lease costs are as follows:

Years ending December 31	2024	2023	2022
Operating lease cost	\$ 981	\$ 1,002	\$ 1,072
Short-term lease cost	15	15	15
Variable lease cost	<u>734</u>	<u>791</u>	<u>618</u>
Total operating lease costs	<u>\$ 1,730</u>	<u>\$ 1,808</u>	<u>\$ 1,705</u>

Cash paid for amounts included in the present value of operating lease liabilities was an operating cash outflow of \$1,182, \$1,179, and \$1,155 for the years ended December 31, 2024, 2023, and 2022 respectively.

9. EMPLOYEE BENEFIT PLANS

The Company sponsors a retirement savings plan. Substantially all permanent full-time employees of the Company and participating affiliates are eligible to participate and may contribute from 1% to 35% of their base pays, subject to Internal Revenue Service limitations. For the Plan year ending December 31, 2024, the Company match increased to 100% of the first 2% contributed and 50% of the next 4% contributed for a maximum Company match of 4%. For the Plan years ending December 31, 2023, and 2022, the Company matched 100% of the first 1% contributed and 50% of the next 5% contributed for a maximum Company match of 3.5%. The Company's contribution including administrative fees for the years ended December 31, 2024, 2023, and 2022, was \$1,857, \$1,520, and \$1,411, respectively.

10. CONTINGENCIES

The Company is involved in various legal proceedings in the ordinary course of its business. In the opinion of the Company's management, the ultimate disposition of these proceedings and claims will not have a material effect on the consolidated financial position or results of operations of the Company.

11. RELATED PARTY TRANSACTIONS

In the ordinary course of business, the Company has transactions between Berkshire and its affiliates that are included in these consolidated financial statements.

As described in Note 2, the Company participates in a centralized cash management program (cash pooling) with BH Finance, a wholly owned subsidiary of Berkshire. As of December 31, 2024 and 2023, the Company had a cash pooling receivable due from BH Finance of \$44.6 million and \$55.8 million, respectively. The Company also recognized interest income from BH Finance of \$2.6 million, \$2.6 million, and \$0.6 million for the years ended December 31, 2024, 2023, and 2022 respectively.

The Company paid dividends of \$110 million, \$110 million, and \$85 million to Berkshire for the years ended December 31, 2024, 2023, and 2022, respectively.

The Company recognized revenue for supply chain and services fees from Berkshire affiliates for the years ended December 31, 2024, 2023, and 2022, of \$0.3 million, \$0.4 million, and \$0.5 million, respectively.

12. SUBSEQUENT EVENTS

In accordance with ASC 855, *Subsequent Events*, the Company has considered subsequent events for recognition or disclosure through February 7, 2025, the date that the financial statements are available to be issued. No subsequent events were noted.

* * * * *

EXHIBIT L

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