

Executive Summary of Potential Risk for investors at FAT Brands Inc.

Following a thorough review of FAT Brands Inc., it is recommended not to invest in FAT Brands as it is too risky. The lack of profitability and increasing losses since foundation alone already indicate that the business operations of the company are inefficient. Furthermore, sales prospect as well as sales history are not promising, at all. The calculated ratios are far too low compared to the risk that an investor has to take.

- Do FAT Brands need to open new locations?

No, FAT Brands does not need to open new locations.

First of all, it would not be FAT Brands to open the new locations, but it would be the brands which they control. However, FAT Brands does not have the funds to open to new locations, and putting additional strain on the individual brands will most likely rather weaken the position and the reputation of FAT Brands as holding.

- Where would the funds for a new location come from?

The funds would have to come from investors, or the assets of the individual brand. However, exploring a new location is a higher risk, and therefore, probably is not a good idea at this stage, neither for an investor, nor for a brand, nor for FAT Brands (unless money needs to be burned).

- What would the cost of capital be for a new location?

Crowdfunding – no cost

Loan/Credit – interest rate

Investment – Return of investment

Selling – loss of assets

Government grants/subsidies – controlled transparency

Own money – loss of saving/liquidity