# Offering Memorandum: Part II of Offering Document (Exhibit A to Form C)

Cartel Coffee Lab, Inc.
1605 W University Dr Ste 101
Tempe, AZ 85281
https://cartelroasting.co/

Up to $4,314,997.35 in Class B Common Stock at $5.55
Minimum Target Amount: $19,996.65

A crowdfunding investment involves risk. You should not invest any funds in this offering unless you can afford to lose your entire investment.

In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. These securities have not been recommended or approved by any federal or state securities commission or regulatory authority. Furthermore, these authorities have not passed upon the accuracy or adequacy of this document.

The U.S. Securities and Exchange Commission does not pass upon the merits of any securities offered or the terms of the offering, nor does it pass upon the accuracy or completeness of any offering document or literature.

These securities are offered under an exemption from registration; however, the U.S. Securities and Exchange Commission has not made an independent determination that these securities are exempt from registration.

In the event that we become a reporting company under the Securities Exchange Act of 1934, we intend to take advantage of the provisions that relate to "Emerging Growth Companies" under the JOBS Act of 2012, including electing to delay compliance with certain new and revised accounting standards under the Sarbanes-Oxley Act of 2002.

## Company:

Company: Cartel Coffee Lab, Inc.
Address: 1605 W University Dr Ste 101, Tempe, AZ 85281
State of Incorporation: DE
Date Incorporated: July 17, 2025

## Terms:

Equity

Offering Minimum: $19,996.65 | 3,603 shares of Class B Common Stock
Offering Maximum: $4,314,997.35 | 777,477 shares of Class B Common Stock
Type of Security Offered: Class B Common Stock
Purchase Price of Security Offered: $5.55
Minimum Investment Amount (per investor): $299.70

Voting Rights of Securities Sold in this Offering

Voting Proxy. Each Subscriber shall appoint the Chief Executive Officer of the Company (the "CEO"), or his or her successor, as the Subscriber's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to, consistent with this instrument and on behalf of the Subscriber, (i) vote all Securities, (ii) give and receive notices and communications, (iii) execute any instrument or document that the CEO determines is necessary or appropriate in the exercise of its authority under this instrument, and (iv) take all actions necessary or appropriate in the judgment of the CEO for the accomplishment of the foregoing. The proxy and power granted by the Subscriber pursuant to this Section are coupled with an interest. Such proxy and power will be irrevocable. The proxy and power, so long as the Subscriber is an individual, will survive the death, incompetency and disability of the Subscriber and, so long as the Subscriber is an entity, will survive the merger or reorganization of the Subscriber or any other entity holding the Securities. However, the Proxy will terminate upon the closing of a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933 covering the offer and sale of Common Stock or the effectiveness of a registration statement under the Securities Exchange Act of 1934 covering the Common Stock.

*'Maximum number of shares offered subject to adjustment for bonus shares. See Bonus info below.

Investment Incentives & Bonuses*

Reservations Bonus | 10% Bonus Shares

Reservation Holders in the Testing the Waters Page will receive 10% bonus shares.

Loyalty Bonus | 20% Bonus Shares

Previous investors and/or Cartel Roasting employees, you are eligible for additional 20% bonus shares.

Time-Based Perks

Early Bird

Invest $1,000+ within the first 2 weeks | 10% bonus shares.

Mid-Campaign Perks (Flash Perks)

Flash Perk 1

Invest $5,000+ between day 45 - 53 and receive 10% bonus shares.

Flash Perk 2

Invest $5,000+ between day 64 - 73 and receive 10% bonus shares.

Amount-Based Perks

Prickly Pear

Invest $600+ | Receive a $75 Online Gift Card (redeemable at cartelroasting.co).

Ocotillo

Invest $1,200+ | Receive a $150 Online Gift Card (redeemable at cartelroasting.co) + 5% bonus shares.

Joshua Tree

Invest $5,000+ | Receive a $225 Online Gift Card (redeemable at cartelroasting.co) + 7% bonus shares.

Creosote

Invest $10,000+ | Receive a $300 Online Gift Card (redeemable at cartelroasting.co) + 10% bonus shares.

Palo Verde

Invest $25,000+ | Join us for a private tour for four & coffee cupping at our production facility with the Founders and Executive Team, plus receive $300 Online Gift Card (redeemable at cartel roasting.co + 15% bonus shares.

Saguaro

Invest $50,000+ | Join us for a private tour for four, roast your own coffee with one of our roasters, attend a coffee cupping with our CEO, COO and Production Team to learn how we evaluate coffees, and enjoy breakfast with the Cartel Founders and Executive Team plus receive a $300 Online Gift Card (redeemable at cartelroasting.co) + 20% bonus shares.

*In order to receive perks from an investment, one must submit a single investment in the same offering that meets the minimum perk requirement. Bonus shares from perks will not be granted if an investor submits multiple investments that, when combined, meet the perk requirement. All perks occur when the offering is completed.

Crowdfunding investments made through a self-directed IRA cannot receive non-bonus share perks due to tax laws. The Internal Revenue Service (IRS) prohibits self-dealing transactions in which the investor receives an immediate, personal financial gain on investments owned by their retirement account. As a result, an investor must refuse those non-bonus share perks because they would be receiving a benefit from their IRA account.

The 10% StartEngine Venture Club Bonus

Cartel Coffee Lab, Inc., doing business as Cartel Roasting Co., will offer 10% additional bonus shares for all investments that are committed by investors that are eligible for the StartEngine Venture Club.

This means eligible StartEngine shareholders will receive a 10% bonus for any shares they purchase in this offering. For example, if you buy 100 shares of Class B Common Stock at $5.55 / share, you will receive 110 shares of Class B Common Stock, meaning you'll own 110 shares for $555. Fractional shares will not be distributed and share bonuses will be determined by rounding down to the nearest whole share.

This 10% Bonus is only valid during the investor's eligibility period. Investors eligible for this bonus will also have priority if they are on a waitlist to invest and the company surpasses its maximum funding goal. They will have the first opportunity to invest should room in the offering become available if prior investments are canceled or fail.

Investors will receive the highest single bonus they are eligible for among the bonuses based on the amount invested and the time of offering elapsed (if any). Eligible investors will also receive the Venture Club Bonus, the Reservation Bonus and the Loyalty Bonus in addition to the aforementioned bonus.

## The Company and its Business

### Company Overview

Cartel Coffee Lab, Inc., doing business as Cartel Roasting Co., ("Cartel" or the "Company") is a Delaware corporation organized under the laws of the state of Delaware, oversees the operation of multiple cafes, wholesale (B2B) services, eCommerce (B2C), and large-scale production facilities. The Company's business model consists of expertly roasted coffee and cold brew, precision-crafted beverages, and curated cafe experiences, all grounded in intentional business practices in order to resonate with today's conscientious consumer.

Our business model is built around high-quality coffee offerings delivered through a mix of direct-to-consumer and business-to-business channels. Cartel's products, including coffee, cold brew, and wholesale solutions, are sold in multiple states through partners like Whole Foods, Sprouts, and Postino, as well as through our online store, bringing Cartel's standard of excellence to customers across the U.S.

Cartel Roasting Co. is an Arizona-based specialty coffee company founded in 2007 by Amy & Jason Silberschlag in Tempe, Arizona. What began as the humble Ash Avenue cafe, has now grown into 16 locations across Phoenix, Scottsdale, Tucson, Palm Springs, San Diego, and Los Angeles, as well as a large-scale production facility. With locations in high-profile locations in travel hotspots like Sky Harbor International Airport and Palm Springs, Cartel has become a widely recognized brand.

Cartel has been operating in the specialty coffee industry for 18 years, and is known for its rigorous standards and commitment to craft. For many, Cartel's intentionally sourced and crafted coffee reshaped the perception of what American

coffee could be, all the while staying true to our original mission of fostering community through coffee.

Cartel's dedication to quality and curation extends to our wholesale, marketplace, and e-commerce offerings. With notable partners like Whole Foods, Sprouts, AJs, Upward Projects, Arrive Hotels, and HMS Host, Cartel has become a clear choice for businesses that share our commitment to amazing coffee and cold brew. Cartel's online store features curated subscriptions, unique single-origin coffees, and more.

Corporate History

Cartel was initially organized as Cartel Coffee Lab, LLC, an Arizona limited liability company on August 28, 2007, and converted to a Delaware corporation on July 17, 2025.

Corporate Structure

Cartel is the parent company of the following wholly-owned subsidiaries:

Cartel Ash Ave, LLC, an Arizona limited liability company

Cartel 1st Street, LLC, an Arizona limited liability company

Cartel Broadway Blvd, LLC, an Arizona limited liability company

Cartel Sky Harbor, LLC, an Arizona limited liability company

Avenue Coffee LLC, an Arizona limited liability company

Cartel 5th Ave, LLC, an Arizona limited liability company

Cartel Biltmore, LLC, an Arizona limited liability company

Cartel Desert Ridge, LLC, an Arizona limited liability company

Cartel Tatum & Shea, LLC, an Arizona limited liability company

Cartel Roasting Co LLC, an Arizona limited liability company

Cartel Palm Springs, LLC, a California limited liability company

Cartel Coronado LLC, an Arizona limited liability company

Cartel Uptown, LLC, an Arizona limited liability company

Cartel WeHo, LLC , a Californian limited liability company

Each subsidiary of Cartel, other than Cartel Roasting Co LLC, operates its own Cartel branded coffee shop. All individual cafes, wholesale operations, ecommerce and management sales and services flow to the Parent Company.

The Company's Intellectual Property ("IP")

The Company was granted the right to use "Cartel Coffee Lab" by the United States Patent and Trademark Office on August 6, 2013 covering coffee shop services (USPTO Reg. No. 4380141, Class 043). The Company was granted the right to use "Cartel" by the United States Patent and Trademark Office on April 15, 2014, covering coffee (USPTO Reg. No. 4515817, Class 030).

Competitors and Industry

Cartel operates in the specialty coffee industry with a global market value of $101B, estimated by Grand View Research in 2025 Since then, the demand for quality coffee and traceability have only gone up.

*https://www.grandviewresearch.com/industry-analysis/specialty-coffee-market-report

Cartel has several major competitors in the specialty coffee market such as:

Blue Bottle Coffee (Nestlé-owned, focused on premium specialty coffee and experiential retail).

Stumptown Coffee Roasters (Portland-based, known for direct trade sourcing).

Intelligentsia Coffee (Chicago-based, pioneer of direct trade and high-end specialty roasting).

Local coffee roasters in Phoenix, Tucson, and Southern California who focus on small-batch roasting and unique sourcing practices.

Cartel sets itself apart by leaning into three main pillars: Quality, Experience and Community. In addition to our guiding

principles, we believe we're positioned well to potentially capture a larger market share by:

Increasing our retail footprints in higher traffic areas that compliments our current locations and delivery routes. Bringing our unique cold-focused menu, and warm, stylish spaces to more people.

Expand our wholesale partnerships with more distributors, resellers, and wholesale accounts comprised of restaurants, offices, cafes, and hotels

Increase our eCommerce revenue with more products, limited rare coffees, and better coffee subscriptions

Leverage our brand to collaborate with other notable businesses and raise our Give Back Program contributions to new levels

Bringing together our principles, our brand, our unique experience and our community focus, Cartel Roasting Co.'s goal is to become a leader in the US specialty coffee industry.

Current Stage and Roadmap

Cartel is at an inflection point in its journey, evolving from being a small-scale roaster with a few cafes to a growing multi-channel business. What began with earning customers one at a time through great coffee and great customer experiences at our Ash Avenue cafe has grown into 15 locations across Arizona and California. Our wholesale program has found success with partners like Whole Foods, Sprouts, and Upward Projects, while our e-commerce business continues to grow steadily, despite minimal investments to our systems showing demand from customers beyond our local markets.

Over the next few years Cartel's roadmap aims to leverage the new 12,000 sq ft production facility to support future growth in all areas of the business. This is planned to be done by:

Expanding more cafes into the Southern California market

Elevating our food offerings in cafes while keeping wait times down

Improving our marketing & ecommerce infrastructure

Further investment into the RTD grocery market

And continuing to develop our team of excellent coffee professionals.

## The Team

Officers and Directors

Name: Jesse Pangburn

Jesse Pangburn's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- Position: Chief Executive Officer, Principal Accounting Officer
  Dates of Service: July, 2026 - Present
  Responsibilities: Drive the vision, strategy, company culture and overall performance of the business.

Other business experience in the past three years:

- Employer: Cartel Roasting
  Title: President & Chief Operating Officer
  Dates of Service: April, 2020 - July, 2026
  Responsibilities: Drive the company's strategic vision plan, own company culture, and manage key projects.

Name: Jason Silberschlag

Jason Silberschlag's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- Position: Director, Owner & Business Development
  Dates of Service: July, 2026 - Present
  Responsibilities: Identify future opportunities, build strategic relationships, secure resources for growth, and ensure the organization remains aligned with its founding mission.

Other business experience in the past three years:

- Employer: Cartel Roasting
  Title: Director and Chief Executive Officer
  Dates of Service: January, 2007 - July, 2026
  Responsibilities: Oversee the company's vision, strategy, and ownership duties.

Other business experience in the past three years:

- Employer: AZ Chewys LLC
  Title: Owner
  Dates of Service: February, 2024 - Present
  Responsibilities: Oversee the company's vision, strategy, and ownership duties requiring approximately 4 hours per week.

Name: Amy Silberschlag

Amy Silberschlag's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- Position: Director, Owner, and Community Development
  Dates of Service: January, 2007 - Present
  Responsibilities: Guide the company's mission, values, community impact, and organizational culture.

Name: Mercedes Infante

Mercedes Infante's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

- Position: Chief Operating Officer
  Dates of Service: July, 2026 - Present
  Responsibilities: Oversee the retail, bakery and production department leadership and ensure successful operations.

Other business experience in the past three years:

- Employer: Cartel Roasting
  Title: Director of Retail
  Dates of Service: April, 2020 - July, 2026
  Responsibilities: Own the operations, experience and menu in all Cartel Roasting Co cafes.

## Risk Factors

The SEC requires the company to identify risks that are specific to its business and its financial condition. The company is still subject to all the same risks that all companies in its business, and all companies in the economy, are exposed to. These include risks relating to economic downturns, political and economic events and technological developments (such as hacking and the ability to prevent hacking). Additionally, early-stage companies are inherently more risky than more developed companies. You should consider general risks as well as specific risks when deciding whether to invest.

These are the risks that relate to the Company:

Uncertain Risk
An investment in the Company (also referred to as "we", "us", "our", or the "Company") involves a high degree of risk and should only be considered by those who can afford the loss of their entire investment. Furthermore, the purchase of any securities should only be undertaken by persons whose financial resources are sufficient to enable them to indefinitely retain an illiquid investment. Each investor in the Company should research thoroughly any offering before making an investment decision and consider all of the information provided regarding the Company as well as the following risk factors, in addition to the other information in the Company's Form C. The following risk factors are not intended, and shall not be deemed to be, a complete description of the commercial, financial, and other risks inherent in the investment in the Company.

Our business projections are only projections
There can be no assurance that the Company will meet its projections. There can be no assurance that the Company will be able to find sufficient demand for its product or service, that people think it's a better option than a competing product or service, or that we will be able to provide a product or service at a level that allows the Company to generate revenue, make a profit, or grow the business.

Any valuation is difficult to assess
The valuation for the offering was established by the Company. Unlike listed companies that are independently valued through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess, may not be exact, and you may risk overpaying for your investment.

The transferability of the Securities you are buying is limited
You should be prepared to hold this investment for several years or longer. For the 12 months following your investment, there will be restrictions on the securities you purchase. More importantly, there are a limited number of established markets for the resale of these securities. As a result, if you decide to sell these securities in the future, you may not be able to find, or may have difficulty finding, a buyer, and you may have to locate an interested buyer when you do seek to resell your investment. The Company may be acquired by an existing player in the industry. However, that may never happen or it may happen at a price that results in you losing money on this investment.

Your investment could be illiquid for a long time
You should be prepared to hold this investment for several years or longer. For the 12 months following your investment, there will be restrictions on how you can resell the securities you receive. More importantly, there are limited established markets for these securities. As a result, if you decide to sell these securities in the future, you may not be able to find a buyer. The Company may be acquired by an existing player in the same or a similar industry. However, that may never happen or it may happen at a price that results in you losing money on this investment.

The Company may undergo a future change that could affect your investment
The Company may change its business, management or advisory team, IP portfolio, location of its principal place of business or production facilities, or other change which may result in adverse effects on your investment. Additionally, the Company may alter its corporate structure through a merger, acquisition, consolidation, or other restructuring of its current corporate entity structure. Should such a future change occur, it would be based on management's review and determination that it is in the best interests of the Company.

Your information rights are limited with limited post-closing disclosures
The Company is required to disclose certain information about the Company, its business plan, and its anticipated use of proceeds, among other things, in this offering. Early-stage companies may be able to provide only limited information about their business plan and operations because it does not have fully developed operations or a long history to provide more disclosure. The Company is also only obligated to file information annually regarding its business, including financial statements. In contrast to publicly listed companies, investors will be entitled only to that post-offering information that is required to be disclosed to them pursuant to applicable law or regulation, including Regulation CF. Such disclosure generally requires only that the Company issue an annual report via a Form C-AR. Investors are generally not entitled to interim updates or financial information.

Some early-stage companies may lack professional guidance
Some companies attribute their success, in part, to the guidance of professional early-stage advisors, consultants, or investors (e.g., angel investors or venture capital firms). advisors, consultants, or investors may play an important role in a company through their resources, contacts, and experience in assisting early-stage companies in executing their business plans. An early-stage company primarily financed through Regulation Crowdfunding may not have the benefit of such professional investors, which may pose a risk to your investment.

If the Company cannot raise sufficient funds it will not succeed
The Company is offering Class B Common Stock in the amount of up to $4,315,000 in this offering, and may close on any investments that are made. Even if the maximum amount is raised, the Company is likely to need additional funds in the future in order to grow, and if it cannot raise those funds for whatever reason, including reasons relating to the Company itself or the broader economy, it may not survive. If the Company manages to raise only the minimum amount of funds sought, it will have to find other sources of funding for some of the plans outlined in "Use of Proceeds."

We may not have enough capital as needed and may be required to raise more capital
We anticipate needing access to credit in order to support our working capital requirements as we grow. It is a difficult environment for obtaining credit on favorable terms. If we cannot obtain credit when we need it, we could be forced to raise additional equity capital, modify our growth plans, or take some other action. Issuing more equity may require bringing on additional investors. Securing these additional investors could require pricing our equity below its current price. If so, your investment could lose value as a result of this additional dilution. In addition, even if the equity is not priced lower, your ownership percentage would be decreased with the addition of more investors. If we are unable to find additional investors willing to provide capital, then it is possible that we will choose to cease our sales activity. In that case, the only asset remaining to generate a return on your investment could be our intellectual property. Even if we are not forced to cease our sales activity, the unavailability of credit could result in the Company performing below expectations, which could

adversely impact the value of your investment.

Terms of subsequent financings may adversely impact your investment
We will likely need to engage in common equity, debt, or preferred stock financings in the future, which may reduce the value of your investment in the Company. Interest on debt securities could increase costs and negatively impact operating results. Preferred stock could be issued in series from time to time with such designation, rights, preferences, and limitations as needed to raise capital. The terms of preferred stock could be more advantageous to those investors than to the holders of common stock or other securities. In addition, if we need to raise more equity capital from the sale of Common Stock, institutional or other investors may negotiate terms that are likely to be more favorable than the terms of your investment, and possibly a lower purchase price per security.

Management's Discretion as to Use of Proceeds
Our success will be substantially dependent upon the discretion and judgment of our management team with respect to the application and allocation of the proceeds of this offering. The Use of Proceeds described below is an estimate based on our current business plan. We, however, may find it necessary or advisable to re-allocate portions of the net proceeds reserved for one category to another, and we will have broad discretion in doing so.

Projections: Forward Looking Information
Any projections or forward-looking statements regarding our anticipated financial or operational performance are hypothetical and are based on management's best estimate of the probable results of our operations and may not have been reviewed by our independent accountants. These projections are based on assumptions that management believes are reasonable. Some assumptions invariably will not materialize due to unanticipated events and circumstances beyond management's control. Therefore, actual results of operations will vary from such projections, and such variances may be material. Any projected results cannot be guaranteed.

The amount raised in this offering may include investments from company insiders or immediate family members
Officers, directors, executives, and existing owners with a controlling stake in the Company (or their immediate family members) may make investments in this offering. Any such investments will be included in the raised amount reflected on the campaign page.

Reliance on a single service or product
All of our current services are variants of one type of service and/or product. Relying heavily on a single service or product can be risky, as changes in market conditions, technological advances, shifts in consumer preferences, or other changes can adversely impact the demand for the product or service, potentially leading to revenue declines or even business failure.

Some of our products are still in the prototype phase and might never be operational products
Developing new products and technologies can be a complex process that involves significant risks and uncertainties. Technical challenges, design flaws, manufacturing defects, and regulatory hurdles can all impact the success of a product or service. It is possible that there may never be an operational product or that the product may never be used to engage in transactions. It is possible that the failure to release the product is the result of a change in business model upon the Company's making a determination that the business model, or some other factor, will not be in the best interest of the Company and its stockholders.

Developing new products and technologies entails significant risks and uncertainties
Competition can be intense in many markets, and a failure to keep up with competitors or anticipate shifts in market dynamics can lead to revenue declines or market share losses. We are currently in the research and development stage and have only manufactured a prototype for our product. Delays or cost overruns in the development of our product and failure of the product to meet our performance estimates may be caused by, among other things, unanticipated technological hurdles, difficulties in manufacturing, changes to design, and regulatory hurdles. Any of these events could materially and adversely affect our operating performance and results of operations.

Supply Chain and Logistics Risks
The availability of raw materials, transportation costs, and supply chain disruptions can all impact the ability to manufacture and distribute products or services, leading to lost revenue or increased costs. Products and services that are not available when customers need them can lead to lost sales and damage to the brand's reputation.

Quality and Safety of our Product and Service
The quality of a product or service can vary depending on the manufacturer or provider. Poor quality can result in customer dissatisfaction, returns, and lost revenue. Furthermore, products or services that are not safe can cause harm to customers and result in liability for the manufacturer or provider. Safety issues can arise from design flaws, manufacturing defects, or improper use.

Minority Holder; Securities with Voting Rights
The Class B Common Stock that an investor is buying has voting rights attached to them. However, you will be part of the minority shareholders of the Company and have agreed to appoint the Chief Executive Officer of the Company (the "CEO"), or his or her successor, as your voting proxy. You are trusting in management discretion in making good business decisions that will grow your investments. Furthermore, in the event of a liquidation of our Company, you will only be paid out if

there is any cash remaining after all of the creditors of our Company have been paid out.

You are trusting that management will make the best decision for the company
You are trusting in management's discretion. You are buying securities as a minority holder, and therefore must trust the management of the Company to make good business decisions that grow your investment.

Insufficient Funds
The Company might not sell enough securities in this offering to meet its operating needs and fulfill its plans, in which case it may cease operating and result in a loss on your investment. Even if we sell all the Class B Common Stock we are offering now, the Company may need to raise more funds in the future, and if unsuccessful in doing so, the Company will fail. Even if we do make a successful offering in the future, the terms of that offering might result in your investment in the Company being worth less, if later investors have better terms than those in this offering.

This offering involves "rolling closings," which may mean that earlier investors may not have the benefit of information that later investors have
Once we meet our target amount for this offering, we may request that StartEngine instruct the escrow agent to disburse offering funds to us. At that point, investors whose subscription agreements have been accepted will become our investors. All early-stage companies are subject to a number of risks and uncertainties, and it is not uncommon for material changes to be made to the offering terms, or to companies' businesses, plans, or prospects, sometimes with little or no notice. When such changes happen during the course of an offering, we must file an amendment to our Form C with the SEC, and investors whose subscriptions have not yet been accepted will have the right to withdraw their subscriptions and get their money back. Investors whose subscriptions have already been accepted, however, will already be our investors and will have no such right.

Non-accredited investors may not be eligible to participate in a future merger or acquisition of the Company and may lose a portion of their investment
Investors should be aware that under Rule 145 under the Securities Act of 1933 if they invest in a company through Regulation CrowdFunding and that company becomes involved in a merger or acquisition, there may be significant regulatory implications. Under Rule 145, when a company plans to acquire another and offers its shares as part of the deal, the transaction may be deemed an offer of securities to the target company's investors, because investors who can vote (or for whom a proxy is voting on their behalf) are making an investment decision regarding the securities they would receive. All investors, even those with non-voting shares, may have rights with respect to the merger depending on relevant state laws. This means the acquirer's "offer" to the target's investors would require registration or an exemption from registration (such as Reg.Dor Reg. CF), the burden of which can be substantial. As a result, non-accredited investors may have their shares repurchased rather than receiving shares in the acquiring company or participating in the acquisition. This may result in investors' shares being repurchased at a value determined by a third party, which may be at a lesser value than the original purchase price. Investors should consider the possibility of a cash buyout in such circumstances, which may not be commensurate with the long-term investment they anticipate.

Our new product could fail to achieve the sales projections we expect
Our growth projections are based on the assumption that with an increased advertising and marketing budget, our products will be able to gain traction in the marketplace at a faster rate than our current products have. It is possible that our new products will fail to gain market acceptance for any number of reasons. If the new products fail to achieve significant sales and acceptance in the marketplace, this could materially and adversely impact the value of your investment.

We face significant market competition
We will compete with larger, established companies that currently have products on the market and/or various respective product development programs. They may have much better financial means and marketing/sales and human resources than us. They may succeed in developing and marketing competing equivalent products earlier than us, or superior products than those developed by us. There can be no assurance that competitors will not render our technology or products obsolete or that the products developed by us will be preferred to any existing or newly developed technologies. It should further be assumed that competition will intensify.

We are competing against other recreational activities
Although we are a unique company that caters to a select market, we do compete against other recreational activities. Our business growth depends on the market interest in the Company over other activities.

Intense Market Competition
The market in which the Company operates may be highly competitive, with established players, emerging startups, and potential future entrants. The presence of competitors can impact the Company's ability to attract and retain customers, gain market share, and generate sustainable revenue. Competitors with greater financial resources, brand recognition, or established customer bases may have a competitive advantage, making it challenging for the Company to differentiate itself and achieve long-term success.

Vulnerability to Economic Conditions
Economic conditions, both globally and within specific markets, can significantly influence the success of early-stage startups. Downturns or recessions may lead to reduced consumer spending, limited access to capital, and decreased demand

for the Company's products or services. Additionally, factors such as inflation, interest rates, and exchange rate fluctuations can affect the cost of raw materials, operational expenses, and profitability, potentially impacting the Company's ability to operate.

Uncertain Regulatory Landscape
Due to the unestablished nature of the market the business operates within, the potential introduction of new laws or industry-specific standards can impose additional costs and operational burdens on the Company. Non-compliance or legal disputes may result in fines, penalties, reputational damage, or even litigation, adversely affecting the Company's financial condition and ability to operate effectively.

We have existing intellectual property that we might not be able to protect properly
One of the Company's most valuable assets is its intellectual property. The Company owns trademarks, copyrights, Internet domain names, and trade secrets. We believe one of the most valuable components of the Company is our intellectual property portfolio. Due to the value, competitors may misappropriate or violate the rights owned by the Company. The Company intends to continue to protect its intellectual property portfolio from such violations. It is important to note that unforeseeable costs associated with such practices may invade the capital of the Company.

Our trademarks, copyrights and other intellectual property could be unenforceable or ineffective
Intellectual property is a complex field of law in which few things are certain. It is possible that competitors will be able to design around our intellectual property, find prior art to invalidate it, or render the patents unenforceable through some other mechanism. If competitors are able to bypass our trademark and copyright protection without obtaining a sublicense, it is likely that the Company's value will be materially and adversely impacted. This could also impair the Company's ability to compete in the marketplace. Moreover, if our trademarks and copyrights are deemed unenforceable, the Company will almost certainly lose any potential revenue it might be able to raise by entering into sublicenses. This would cut off a significant potential revenue stream for the Company.

The cost of enforcing our trademarks and copyrights could prevent us from enforcing them
Trademark and copyright litigation has become extremely expensive. Even if we believe that a competitor is infringing on one or more of our trademarks or copyrights, we might choose not to file suit because we lack the cash to successfully prosecute a multi-year litigation with an uncertain outcome; or because we believe that the cost of enforcing our trademark(s) or copyright(s) outweighs the value of winning the suit in light of the risks and consequences of losing it; or for some other reason. Choosing not to enforce our trademark(s) or copyright(s) could have adverse consequences for the Company, including undermining the credibility of our intellectual property, reducing our ability to enter into sublicenses, and weakening our attempts to prevent competitors from entering the market. As a result, if we are unable to enforce our trademark(s) or copyright(s) because of the cost of enforcement, your investment in the Company could be significantly and adversely affected.

The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business
Our business depends on our ability to attract, retain, and develop highly skilled and qualified employees. As we grow, we will need to continue to attract and hire additional employees in various areas, including sales, marketing, design, development, operations, finance, legal, and human resources. However, we may face competition for qualified candidates, and we cannot guarantee that we will be successful in recruiting or retaining suitable employees. Additionally, if we make hiring mistakes or fail to develop and train our employees adequately, it could have a negative impact on our business, financial condition, or operating results. We may also need to compete with other companies in our industry for highly skilled and qualified employees. If we are unable to attract and retain the right talent, it may impact our ability to execute our business plan successfully, which could adversely affect the value of your investment. Furthermore, the economic environment may affect our ability to hire qualified candidates, and we cannot predict whether we will be able to find the right employees when we need them. This would likely adversely impact the value of your investment.

Our ability to sell our product or service is dependent on outside government regulation which can be subject to change at any time
Our ability to sell our products is subject to various government regulations, including but not limited to, regulations related to the manufacturing, labeling, distribution, and sale of our products. Changes in these regulations, or the enactment of new regulations, could impact our ability to sell our products or increase our compliance costs. Furthermore, the regulatory landscape is subject to regular change, and we may face challenges in adapting to such changes, which could adversely affect our business, financial condition, or operating results. In addition to government regulations, we may also be subject to other laws and regulations related to our products, including intellectual property laws, data privacy laws, and consumer protection laws. Non-compliance with these laws and regulations could result in legal and financial liabilities, reputational damage, and regulatory fines and penalties. It is also possible that changes in public perception or cultural norms regarding our products may impact demand for our products, which could adversely affect our business and financial performance, which may adversely affect your investment.

We rely on third parties to provide services essential to the success of our business
Our business relies on a variety of third-party vendors and service providers, including but not limited to manufacturers, shippers, accountants, lawyers, public relations firms, advertisers, retailers, and distributors. Our ability to maintain high-

quality operations and services depends on these third-party vendors and service providers, and any failure or delay in their performance could have a material adverse effect on our business, financial condition, and operating results. We may have limited control over the actions of these third-party vendors and service providers, and they may be subject to their own operational, financial, and reputational risks. We may also be subject to contractual or legal limitations in our ability to terminate relationships with these vendors or service providers or seek legal recourse for their actions. Additionally, we may face challenges in finding suitable replacements for these vendors and service providers, which could cause delays or disruptions to our operations. The loss of key or other critical vendors and service providers could materially and adversely affect our business, financial condition, and operating results, and as a result, your investment could be adversely impacted by our reliance on these third-party vendors and service providers.

The Company is vulnerable to hackers and cyber-attacks

As business with an online commerce presence, we may face risks related to cybersecurity and data protection. We rely on technology systems to operate our business and store and process sensitive data, including the personal information of our investors. Any significant disruption or breach of our technology systems, or those of our third-party service providers, could result in unauthorized access to our systems and data, and compromise the security and privacy of our investors. Moreover, we may be subject to cyber-attacks or other malicious activities, such as hacking, phishing, or malware attacks, that could result in theft, loss, or destruction of our data, disruption of our operations, or damage to our reputation. We may also face legal and regulatory consequences, including fines, penalties, or litigation, in the event of a data breach or cyber-attack. Any significant disruption or downtime of our online commerce activity, whether caused by cyber-attacks, system failures, or other factors, could harm our reputation, reduce the attractiveness of our business, and result in a loss of investors and issuer companies. Moreover, disruptions in the services of our technology provider or other third-party service providers could adversely impact our business operations and financial condition. This would likely adversely impact the value of your investment.

Economic and market conditions

The Company's business may be affected by economic and market conditions, including changes in interest rates, inflation, consumer demand, and competition, which could adversely affect the Company's business, financial condition, and operating results.

Force majeure events

The Company's operations may be affected by force majeure events, such as natural disasters, pandemics, acts of terrorism, war, or other unforeseeable events, which could disrupt the Company's business and operations and adversely affect its financial condition and operating results.

Adverse publicity

The Company's business may be negatively impacted by adverse publicity, negative reviews, or social media campaigns that could harm the Company's reputation, business, financial condition, and operating results.

We are a growth-stage company and may face challenges scaling profitably

While we have established initial traction, including growing revenue streams and a broader customer base, we are still in the growth phase of our business. Continued success depends on our ability to scale operations, deepen market penetration, and maintain profitability over time. Although we have made meaningful progress, we have incurred recent net losses and there is no assurance we will achieve or sustain profitability in the future. Investing in our company involves risks, and you should do so because you believe in our business model, our team's ability to execute, and the long-term market potential for our products and services.

The Company has recently been involved in employment-related legal claims

In 18 years of operations, the Company has only been involved in two employment-related legal claims: a wage claim alleging meal break violations and a claim filed with the Equal Employment Opportunity Commission alleging discrimination on the basis of gender identity and race. While these matters may be common in the retail service industry and both matters were settled for negligible amounts, the existence of such claims and the possibility of similar claims in the future could result in additional legal expenses or operational disruptions, which may impact the Company's ability to execute its growth plans.

Demand Letter Received

In 2026, the Company received a demand letter alleging violations of the California Invasion of Privacy Act related to the use of certain third-party analytics and advertising technologies on the Company's website. As of the date of this Offering Memorandum, the matter remains unresolved and the Company is evaluating it with legal counsel. The outcome and financial effect, if any, have not been determined. Since SB 690 was signed by Governor Newsom on 9/30/26, the CIPA amendment will take effect on 1/1/27 and will eliminate all then-pending claims under CIPA section 638.51(a) – pen register and trap and trace claims.

## Ownership and Capital Structure; Rights of the Securities

Ownership
The following table sets forth information regarding beneficial ownership of the company's holders of 20% or more of any class of voting securities as of the date of this Offering Statement filing.

| Stockholder Name | Number of Securities Owned | Type of Security Owned | Percentage |
|---|---|---|---|
| Jason Silberschlag | 2,783,719 | Class A Common Stock | 44.19% |
| Amy E. Silberschlag | 2,783,719 | Class A Common Stock | 44.19% |

## The Company's Securities

The Company has authorized Class A Common Stock, Class B Common Stock, and Preferred Stock. As part of the Regulation Crowdfunding raise, the Company will be offering up to 777,477 of Class B Common Stock.

### Class A Common Stock

The amount of security authorized is 8,800,000 with a total of 6,999,996 outstanding.

### Voting Rights

One vote per share.

### Material Rights

- Right of First Refusal: Subject to certain limited permitted transfers, if a Class A holder intends to transfer their shares, the Company (and/or other Class A holders) has the right to purchase those shares on the same terms before the shares can be sold to a third party.

- Drag Along Rights: In the event that holders of at least 60% of the Company's outstanding shares of capital stock approve a sale of the Company, all Class A holders may be required to sell their shares on the same terms as the approving stockholders.

- Major Decisions: Pursuant to the Stockholders' Agreement, certain major decisions require the consent or approval of holders of at least 60% of the Company's outstanding shares of Class A common stock.

The total amount outstanding includes 700,000 shares available to be issued pursuant to the Company's equity incentive plan, all of which are reserved but unissued.

### Class B Common Stock

The amount of security authorized is 1,500,000 with a total of 216,002 outstanding.

### Voting Rights

One vote per share. Please see voting rights of securities sold in this offering below.

### Material Rights

Voting Rights of Securities Sold in this Offering

Voting Proxy. Each Subscriber shall appoint the Chief Executive Officer of the Company (the "CEO"), or his or her successor, as the Subscriber's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to, consistent with this instrument and on behalf of the Subscriber, (i) vote all Securities, (ii) give and receive notices and communications, (iii) execute any instrument or document that the CEO determines is necessary or appropriate in the exercise of its authority under this instrument, and (iv) take all actions necessary or appropriate in the judgment of the CEO for the accomplishment of the foregoing. The proxy and power granted by the Subscriber pursuant to this Section are coupled with an interest. Such proxy and power will be irrevocable. The proxy and power, so long as the Subscriber is an individual, will survive the death, incompetency and disability of the Subscriber and, so long as the Subscriber is an entity, will survive the merger or reorganization of the Subscriber or any other entity holding the Securities. However, the Proxy will terminate upon the closing of a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933 covering the offer and sale of Common Stock or the effectiveness of a registration statement under the Securities Exchange Act of 1934 covering the Common Stock.

Notice to Investors: By purchasing Class B Common Stock in this offering, you will be required to become a party to the Company's Stockholders' Agreement, which imposes transfer restrictions, a Company right of first refusal (ROFR), and drag-along obligations in the event of a Company sale. Voting of your shares will be governed by the proxy contained in the Subscription Agreement.

Holders of Class B Common Stock have the following material rights, as set forth in the Company's Certificate of Incorporation and Stockholders' Agreement:

- Transfer Restrictions and ROFR: Subject to certain limited permitted transfers, transfers of Class B shares, whether voluntary or involuntary, are restricted by the Stockholders' Agreement and may require Company consent or adherence to right of first refusal in favor of the Company.

- Drag-Along Rights: In the event that holders of at least 60% of the Company's outstanding shares of capital stock approve a sale of the Company, all Class B holders may be required to sell their shares on the same terms as the approving stockholders.

- No Preemptive Rights: Class B holders do not have preemptive rights to participate in future equity issuances.

- Major Decisions: Unlike the Company's obligation to seek the consent or approval of the Class A holders prior to making certain major decisions, the Company is not required to seek the consent or approval of the Class B holders before making any decisions.

Please see the Company's Certificate of Incorporation and Stockholders' Agreement, attached to the Offering Memorandum as Exhibit F, for further information.

Preferred Stock

The amount of security authorized is 10,000,000 with a total of 0 outstanding.

Voting Rights

There are no voting rights associated with Preferred Stock.

Material Rights

The Company has not designated any rights, preferences, or privileges associated with its authorized but unissued Preferred Stock.

- Priority Over Common Stock: Any future Preferred Stock series likely will have priority over Class A and Class B Common Stock with respect to dividends or liquidation proceeds.

- Dividend Preferences: Any future Preferred Stock series may receive dividends before any dividends are paid to common stockholders.

- Liquidation Preferences: In the event of a sale, merger, or liquidation, holders of any future Preferred Stock series likely will have the right to receive their investment (or a multiple of it) before common stockholders receive any proceeds.

- Conversion Rights: Any future Preferred Stock series likely will be convertible into Common Stock, potentially affecting the equity structure and diluting common stockholders.

- Voting Rights: Any future Preferred Stock series likely will carry voting rights that could give them significant influence or control over corporate actions, including veto rights on certain matters.

- Redemption or Repurchase Rights: Holders of any future PreferredStock may have the right to require the Company to redeem or repurchase their shares under specific conditions, which common stockholders typically do not have.

## What it means to be a minority holder

As a minority holder of Class B Common Stock of this offering, you have granted your votes by proxy to the CEO of the Company. Even if you were to receive control of your voting rights, as a minority holder, you will have limited rights in regards to the corporate actions of the Company, including additional issuances of securities, company repurchases of securities, a sale of the Company or its significant assets, or company transactions with related parties. Further, investors in this offering may have rights less than those of other investors, and will have limited influence on the corporate actions of the Company.

## Dilution

Investors should understand the potential for dilution. The investor's stake in a company could be diluted due to the Company issuing additional shares. In other words, when the Company issues more shares, the percentage of the Company that you own will go down, even though the value of the Company may go up. Regardless of whether the value of the Company increases or decreases, you will own a smaller percentage of the company's outstanding shares. This increase in the number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round, or angel investment), employees exercising stock options, or by conversion of certain instruments (e.g. convertible bonds, preferred shares or warrants) into stock. If the Company decides to issue more

shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if the Company offers dividends, and most early-stage companies are unlikely to offer dividends, preferring to invest any earnings into the Company).

### Transferability of securities

For a year, the securities can only be resold:

- In an IPO;
- To the company;
- To an accredited investor; and
- To a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

### Recent Offerings of Securities

We have made the following issuances of securities within the last three years:

- Name: Class A Common Stock
  Type of security sold: Equity
  Final amount sold: $0.00
  Number of Securities Sold: 6,299,996
  Use of proceeds: Upon incorporation and conversion from Cartel Coffee Lab, LLC
  Date: July 17, 2025
  Offering exemption relied upon: Section 4(a)(2)

- Name: Class B Common Stock
  Type of security sold: Equity
  Final amount sold: $1,080,010.00
  Number of Securities Sold: 216,002
  Use of proceeds: West Hollywood location, ASU Bookstore Location, New Branding, website reskin
  Date: January 27, 2026
  Offering exemption relied upon: Regulation CF

## Financial Condition and Results of Operations

### Financial Condition

You should read the following discussion and analysis of our financial condition and results of our operations together with our financial statements and related notes appearing at the end of this Offering Memorandum. This discussion contains forward-looking statements reflecting our current expectations that involve risks and uncertainties. Actual results and the timing of events may differ materially from those contained in these forward-looking statements due to a number of factors, including those discussed in the section entitled "Risk Factors" and elsewhere in this Offering Memorandum.

### Results of Operations

Circumstances which led to the performance of financial statements:

Revenue

Revenue for fiscal year 2024 was $8,286,357 compared to $9,060,337 in fiscal year 2025. This growth was driven primarily by an approximately $685K increase in retail revenue, supported by increased foot traffic, price increases, and the continued maturation of newer locations, particularly Durham Hall, Tatum & Shea, and Biltmore. Wholesale revenue increased by approximately $31K due to growth in product sales and equipment opportunities, including the addition of Whisha/Sprouts as a significant new customer. E-commerce revenue increased by approximately $58K, primarily due to increased advertising spend and the resulting growth in online sales.

Cost of Sales

Cost of Sales for fiscal year 2024 was $5,489,159 compared to $6,167,087 in fiscal year 2025. As a percentage of revenue, cost of sales increased from approximately 66.2% in 2024 to 68.1% in 2025. The increase was driven primarily by higher coffee

costs, with tariffs being a major contributor to the increase. Retail labor also increased by approximately $219K year over year, primarily due to higher minimum wage rates and additional staffing. Production labor increased by approximately $113K due to additional bakery and driver hires, wage increases, and increased employee hours.

Gross Margins

Gross margins for fiscal year 2024 were $2,797,198 compared to $2,893,250 in fiscal year 2025. Gross profit increased by approximately $96K, or 3.4%, due to higher revenue. However, gross margin decreased from approximately 33.8% in 2024 to 31.9% in 2025, primarily reflecting higher coffee costs, including the impact of tariffs, and increased labor costs.

Historical results are not necessarily indicative of future performance, and actual results may differ materially.

Expenses

Expenses for fiscal year 2024 were $2,711,688 compared to $2,977,970 in fiscal year 2025. General and administrative expenses increased from $2,691,458 to $2,891,645, while sales and marketing expenses increased from $20,230 to $86,325. Marketing expenses in 2025 included an approximately $20K brand refresh, approximately $15K in StartEngine marketing costs with Potomac Growth, $7.5K in Facebook advertising, approximately $18K for a PR firm supporting the West Hollywood opening, and approximately $15K for Free Fills, a promotional program required by certain grocery customers.

The Company reported an operating loss of $84,720 in 2025 compared to operating income of $85,510 in 2024. Interest expense was $286,134 in 2025 compared to $279,258 in 2024. The Company reported a net loss of $357,109 in 2025 compared to a net loss of $132,866 in 2024. The 2024 comparative amounts were revised to correct certain prior-period errors relating to lease accounting, loan balances and classifications, expense cutoff, and asset classifications. The corrections increased the previously reported 2024 net loss by $38,272 and did not affect revenue, gross profit, or cash.

Historical results and cash flows:

The Company is currently in the growth stage and revenue-generating. During 2025, the Company continued investing in its retail infrastructure, including construction of its West Hollywood and ASU Bookstore locations. These capital investments were financed through the Company's StartEngine equity raise, and the Company did not take on new term debt during 2025. Net cash provided by operating activities was $281,780 in 2025 (compared to $202,830 in 2024), and cash was $281,930 at December 31, 2025 (compared to $119,528 at December 31, 2024). In 2025, the Company received gross proceeds of $381,525 from the issuance of Class B Common Stock in its Regulation Crowdfunding offering.

Management believes that historical cash flows may not be indicative of future results because the Company has incurred significant costs to build the infrastructure necessary to scale its operations. The Company's objective is to more fully utilize its existing production facilities and retail infrastructure to support future revenue growth and profitability.

Statements about future plans and objectives are forward-looking and subject to risks and uncertainties that could cause actual results to differ materially.

The Company's independent auditor has included an explanatory paragraph in its report on the Company's financial statements for the years ended December 31, 2025 and 2024 expressing substantial doubt about the Company's ability to continue as a going concern, based on the Company's net loss of $357,109, accumulated deficit of $658,299, and working capital deficit of $440,246. The auditor's opinion is not modified with respect to this matter.

## Liquidity and Capital Resources

What capital resources are currently available to the Company? (Cash on hand, existing lines of credit, shareholder loans, etc...)

As of 08/31/2026, the Company has $705,103.17 cash on hand. The Company also has a $50,000 revolving line of credit with JPMorgan Chase Bank, of which $36,249 was outstanding as of 8/31/2026.

How do the funds of this campaign factor into your financial resources? (Are these funds critical to your company operations? Or do you have other funds or capital resources available?)

We believe the funds of this campaign are critical to our company operations. These funds are required to support our growth plans, which include opening or acquiring 3-4 new cafes in the Phoenix and Southern California markets, website migration, debt reduction, a California sales associate, and operating capital., added salaries for Wholesale and Ecommerce, Ecommerce platform migration, new retail location/acquisition costs, and working capital.

Are the funds from this campaign necessary to the viability of the company? (Of the total funds that your company has, how much of that will be made up of funds raised from the crowdfunding campaign?)

We believe the funds from this campaign are not necessary to the viability of the Company. Of the total funds that our

Company has, 87% will be made up of funds raised from the crowdfunding campaign, if it raises its maximum funding goal.

How long will you be able to operate the company if you raise your minimum? What expenses is this estimate based on?

If the Company raises the minimum offering amount, we anticipate the Company will be able to continue to operate consistent with its current operations as this raise only facilitates growth.

How long will you be able to operate the company if you raise your maximum funding goal?

If the Company raises the maximum offering amount, we anticipate the Company will be able to continue to operate consistent with its current operations as this raise only facilitates growth.

Are there any additional future sources of capital available to your company? (Required capital contributions, lines of credit, contemplated future capital raises, etc...)

The Company has a $50,000 revolving line of credit with JPMorgan Chase Bank, of which approximately $13,751 was available as of August 31, 2026 (approximately 0.3% of total funds if the maximum is raised). The Company has not otherwise contemplated additional future sources of capital.

## Indebtedness

- Creditor: Chase Financial (7002)
  Amount Owed: $36,249.09
  Interest Rate: 11.3%
  Original loan amount of $50,000.00, dated May 1, 2018. Monthly payment of $848.97. Working capital.

- Creditor: Container Logic (71206)
  Amount Owed: $955.11
  Interest Rate: 4.23%
  Maturity Date: June 01, 2027
  Original loan amount of $5,832.00, dated June 1, 2022. Monthly payment of $108.00. Maturity date June 1, 2027. Equipment lease: Bright Tank 71206.

- Creditor: Container Logic (70544 & 70836)
  Amount Owed: $6,537.90
  Interest Rate: 9.09%
  Maturity Date: January 01, 2029
  Original loan amount of $12,500.00, dated January 1, 2024. Monthly payment of $260.00. Maturity date January 1, 2029. Equipment lease: Bright Tank 70544 & 70836.

- Creditor: EIDL
  Amount Owed: $114,519.58
  Interest Rate: 3.75%
  Maturity Date: April 21, 2050
  Original loan amount of $149,900.00, dated May 20, 2021. Monthly payment of $731.00. Maturity date April 21, 2050. SBA required collateral for EIDL loans under $200,000.

- Creditor: CIT (Equipment - 097-0144026)
  Amount Owed: $53,107.22
  Interest Rate: 7.87%
  Maturity Date: November 25, 2027
  Original loan amount of $213,450.00, dated December 25, 2021. Monthly payment of $3,729.11. Maturity date November 25, 2027. Equipment: Bakery & Coldbrew.

- Creditor: CIT (Equipment - 097-0161427)
  Amount Owed: $58,561.93
  Interest Rate: 8.41%
  Maturity Date: June 25, 2028
  Original loan amount of $162,500.00, dated July 25, 2021. Monthly payment of $2,881.63. Maturity date June 25, 2028. Equipment: Brewer, water chiller, Kegerator.

- Creditor: First Citizen (Equipment - DCC-1835594)
  Amount Owed: $96,180.35
  Interest Rate: 8.88%
  Maturity Date: June 25, 2028
  Original loan amount of $212,000.00, dated September 1, 2023. Monthly payment of $4,388.87. Maturity date June 25, 2028. Equipment: Roaster.

- Creditor: AZ Capital Source
  Amount Owed: $300,896.83
  Interest Rate: 12.5%
  Maturity Date: June 27, 2034
  Original loan amount of $344,000.00, dated June 27, 2024. Variable rate of WSJ Prime + 4.00% (initially 12.50%). Monthly payment of $4,914.00. Maturity date June 27, 2034. Production facility.

- Creditor: Ford
  Amount Owed: $35,493.15
  Interest Rate: 9.56%
  Maturity Date: November 30, 2029
  Original loan amount of $51,649.15, dated December 1, 2024. Monthly payment of $1,086.27. Maturity date November 30, 2029. Secured by Ford truck.

- Creditor: Square Loan
  Amount Owed: $307,803.53
  Interest Rate: 0.0%
  Original amount of $397,250.00, dated March 24, 2026. Repayment is 20% of daily credit card sales. Working capital. Flat fee of $47,250.00

- Creditor: Deborah Campbell
  Amount Owed: $100,000.00
  Interest Rate: 8.5%
  Maturity Date: July 28, 2031
  Original loan amount of $100,000.00, dated July 29, 2026. Monthly payment of $2,051.68. Maturity date July 28, 2031. Working capital.

- Creditor: Paula Rose
  Amount Owed: $100,000.00
  Interest Rate: 8.49%
  Maturity Date: July 30, 2031
  Original loan amount of $100,000.00, dated July 31, 2026. Monthly payment of $2,051.20. Maturity date July 30, 2031. Working capital.

- Creditor: Kalamata
  Amount Owed: $711,785.40
  Interest Rate: 0.0%
  Original amount of $816,000 , dated August 27, 2026. Weekly payment of $10,421.46. Working capital.

- Creditor: Jason Silberschlag and Amy Silberschlag
  Amount Owed: $37,500.00
  Interest Rate: 4.37%
  See Related Party entry for details.

- Creditor: Square Loan
  Amount Owed: $265,344.63
  Interest Rate: 0.0%
  Original amount of $266,725.00, dated November 13, 2026. Repayment is 20% of daily credit card sales. Working capital. Flat fee of $31,725.

## Related Party Transactions

- Name of Person: Jason Silberschlag and Amy Silberschlag
  Relationship to Company: Principal shareholders of the Company
  Nature / amount of interest in the transaction: Loans to the Company of $70,000 in 2024, repaid in full in 2026, and $37,500 in 2026

Material Terms: Each note bears simple interest at 4.37% per annum, based on the applicable federal rate. The 2024 note's principal was due at maturity, January 25, 2027.

- Name of Person: Deborah Campbell
  Relationship to Company: Mother of Jason Silberschlag; not an owner of the Company
  Nature / amount of interest in the transaction: Loans to the Company of $20,000 in 2024, repaid in full in 2026, and $100,000 in 2026
  Material Terms: The 2026 note is dated July 29, 2026, bears interest at 8.50%, requires monthly payments of $2,051.68, matures July 28, 2031, and funds working capital.

- Name of Person: Paula Rose
  Relationship to Company: Mother of Amy Silberschlag; not an owner of the Company
  Nature / amount of interest in the transaction: $100,000 loan to the Company in 2026
  Material Terms: The note is dated July 31, 2026, bears interest at 8.49%, requires monthly payments of $2,051.20, matures July 30, 2031, and funds working capital.

- Name of Entity: AZ Chewys LLC
  Names of 20% owners: Jason Silberschlag and Amy Silberschlag (collectively 75%)
  Relationship to Company: Affiliate under common ownership
  Nature / amount of interest in the transaction: The Company subleases production space to AZ Chewys and provides accounting, payroll and administrative services. In 2025, transactions totaled $130,163 (service fees $16,500; shared premises and occupancy allocations $97,440; expense reimbursements $16,223), compared to $125,073 in 2024. Amounts due from AZ Chewys were $156,699 at December 31, 2025 and $38,036 at December 31, 2024.
  Material Terms: Monthly service fee of $1,500, payable by the 20th of each month. Unpaid fees may bear interest at 10% per annum. Expenses paid on AZ Chewys' behalf are reimbursable within 15 business days. Occupancy costs for shared premises are allocated between the parties.

- Name of Entity: CPG 8016 LLC
  Names of 20% owners: Related-person ownership is as follows: Jason and Amy Silberschlag, 5.00% collectively; Michelle Backerman, the Company's former CFO, 3.33%; 604 Inc., owned by Jamie Miller (an 11.2% owner of the Company), 5.00%; and the Company, 6.67%.
  Relationship to Company: Affiliate through ownership interests held by the Company and by persons affiliated with the Company
  Nature / amount of interest in the transaction: CPG 8016 leases a commercial property in Los Angeles, California and subleases it to the Company's subsidiary, Cartel Roasting Co. LLC. CPG 8016 has raised approximately $900,000 for the future acquisition of the property and related costs.
  Material Terms: The sublease commenced July 1, 2025 and expires September 30, 2027. Base rent is $24,850 per month beginning January 1, 2026, with a $24,850 security deposit. Jason and Amy Silberschlag have personally guaranteed the subsidiary's obligations under the sublease.

- Name of Entity: CPG 8016 Manager LLC
  Names of 20% owners: Jason Silberschlag and Amy Silberschlag (collectively 25%)
  Relationship to Company: Affiliate; administrative and management company for CPG 8016
  Nature / amount of interest in the transaction: Manager LLC is expected to receive property management fees from CPG 8016 in the future.
  Material Terms: Fees are payable by CPG 8016, not by the Company.

## Valuation

Pre-Money Valuation: $40,048,788.90

Valuation Details:

This pre-money valuation was calculated internally by the Company without the use of any formal third-party evaluation.

The pre-money valuation has been calculated on a fully diluted basis. In making this calculation, we have assumed all shares reserved for issuance under a stock plan are issued.

The Company has no outstanding Preferred Stock, options, warrants or other convertible securities with a right to acquire shares outstanding.

## Use of Proceeds

If we raise the Target Offering Amount of $19,996.65 we plan to use these proceeds as follows:

- StartEngine Platform Fees
  8.5%

- Campaign Launch Support
  15.0%
  Expenses for certain creative design, legal, marketing, technical, and administrative support services of which the final amount may vary.

- Expansion
  76.5%
  Costs associated with opening or acquiring new concepts in AZ & CA.

If we raise the over allotment amount of $4,314,997.35, we plan to use these proceeds as follows:

- StartEngine Platform Fees
  8.5%

- Cafe expansions, Campaign Marketing, Website Migration, Debt reduction, and departmental needs
  91.5%
  Costs associated with 3-4 new cafes or acquisitions in the Phoenix & Southern California markets, Website Migration, Debt Reduction, CA Sales Associate, and operating capital. New cafes or acquisitions: 45%, Campaign legal, marketing costs: 20%, Website Migration: 2.5%, CA Sales Associate: 1.4%, Debt Reduction 12.6%, Operating Capital 10%

The Company may change the intended use of proceeds if our officers believe it is in the best interests of the company.

# Regulatory Information

## Disqualification

No disqualifying event has been recorded in respect to the company or its officers or directors.

## Compliance Failure

The company has not previously failed to comply with the requirements of Regulation Crowdfunding.

## Ongoing Reporting

The Company will file a report electronically with the SEC annually and post the report on its website no later than April 30 (120 days after Fiscal Year End). Once posted, the annual report may be found on the Company's website at https://cartelroasting.co/ (https://cartelroasting.co/investors).

The Company must continue to comply with the ongoing reporting requirements until:

(1) it is required to file reports under Section 13(a) or Section 15(d) of the Exchange Act;

(2) it has filed at least one (1) annual report pursuant to Regulation Crowdfunding and has fewer than three hundred (300) holders of record and has total assets that do not exceed $10,000,000;

(3) it has filed at least three (3) annual reports pursuant to Regulation Crowdfunding;

(4) it or another party repurchases all of the securities issued in reliance on Section 4(a)(6) of the Securities Act, including any payment in full of debt securities or any complete redemption of redeemable securities; or

(5) it liquidates or dissolves its business in accordance with state law.

## Updates

Updates on the status of this Offering may be found at: www.startengine.com/cartel-roasting

## Investing Process

See Exhibit E to the Offering Statement of which this Offering Memorandum forms a part.

EXHIBIT B TO FORM C

FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANT'S REVIEW OR AUDIT (AS APPLICABLE) FOR Cartel Coffee Lab, Inc.

[See attached]

# CARTEL COFFEE LAB, INC. AND ITS SUBSIDIARIES

## AUDITED CONSOLIDATED FINANCIAL STATEMENTS
## AS OF AND FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

## INDEX TO FINANCIAL STATEMENTS


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# INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Cartel Coffee Lab, Inc. and its Subsidiaries
Tempe, Arizona

## Opinion

We have audited the accompanying consolidated financial statements of Cartel Coffee Lab, Inc. and its Subsidiaries (the "Company") which comprise the consolidated balance sheets as of December 31, 2025 and 2024, and the related consolidated statements of operations, changes in stockholders' deficit, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2025 and 2024, and the results of its operations and its cash flows for the years 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 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.

## Substantial Doubt About the Company's Ability to Continue as a Going Concern

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As discussed in Note 13 to the consolidated financial statements, the Company incurred a net loss of approximately $357,109 for the year ended December 31, 2025, had an accumulated deficit of approximately $658,299 as of December 31, 2025, and had current liabilities in excess of current assets of approximately $440,246 as of December 31, 2025. These conditions raise substantial doubt about the Company's ability to continue as a going concern. Management's evaluation of these conditions and its plans regarding these matters are also described in Note 13. The consolidated financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

## 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 a period of twelve months from the date of issuance of these financial statements.

**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, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of these 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.

*SetApart Accountancy Corp.*

October 30, 2026
Calabasas, California

**CARTEL COFFEE LAB, INC. AND ITS SUBSIDIARIES**
**CONSOLIDATED BALANCE SHEETS**

| As of December 31, | 2025 | 2024 |
|---|---|---|
| (USD $ in Dollars) | | |
| **ASSETS** | | |
| Current Assets: | | |
| Cash | $ 281,930 | $ 119,528 |
| Accounts Receivable | 237,958 | 97,647 |
| Inventory | 344,771 | 290,483 |
| Prepaids and Other Current Assets | 75,826 | 31,110 |
| **Total Current Assets** | **940,485** | **538,768** |
| | | |
| Property and Equipment, net | 573,086 | 777,044 |
| Right-of-Use Asset | 1,788,995 | 1,864,546 |
| Intangible Assets, net | 11,450 | 20,150 |
| Security Deposit | 38,051 | 37,251 |
| **Total Assets** | **$ 3,352,067** | **$ 3,237,759** |
| | | |
| **LIABILITIES AND STOCKHOLDERS' EQUITY** | | |
| Current Liabilities: | | |
| Accounts Payable | $ 584,738 | $ 250,274 |
| Credit Cards | 126,971 | 102,336 |
| Current Portion of Related Party Notes Payable | 2,717 | 10,205 |
| Current Portion of Loans and Promissory Notes Payable | 189,667 | 144,472 |
| Lease Liability, current portion | 325,496 | 286,924 |
| Other Current Liabilities | 151,142 | 134,843 |
| **Total Current Liabilities** | **1,380,731** | **929,054** |
| | | |
| Loans and Promissory Notes Payable, net of current portion | 615,188 | 817,282 |
| Lease Liability, net of current portion | 1,598,588 | 1,719,266 |
| Related Party Notes Payable, net of current portion | 70,000 | 72,717 |
| **Total Liabilities** | **3,664,507** | **3,538,319** |
| | | |
| **STOCKHOLDERS' DEFICIT** | | |
| Class A Common Stock | 630 | 630 |
| Class B Common Stock | 9 | - |
| Additional Paid-In Capital | 345,220 | - |
| Accumulated Deficit | (658,299) | (301,190) |
| **Total Stockholders' Deficit** | **(312,440)** | **(300,560)** |
| | | |
| **Total Liabilities and Stockholders' Deficit** | **$ 3,352,067** | **$ 3,237,759** |

*See accompanying notes to consolidated financial statements.*

**CARTEL COFFEE LAB, INC. AND ITS SUBSIDIARIES**
**CONSOLIDATED STATEMENTS OF OPERATIONS**

| For Fiscal Year Ended December 31, | 2025 | 2024 |
|---|---|---|
| (USD $ in Dollars) | | |
| Net Revenue | $ 9,060,337 | $ 8,286,357 |
| Cost of Goods Sold | 6,167,087 | 5,489,159 |
| **Gross Profit** | **2,893,250** | **2,797,198** |
| | | |
| **Operating Expenses** | | |
| General and Administrative | 2,891,645 | 2,691,458 |
| Sales and Marketing | 86,325 | 20,230 |
| **Total Operating Expenses** | **2,977,970** | **2,711,688** |
| **Net Operating Income/(Loss)** | **(84,720)** | **85,510** |
| | | |
| Interest Expense | (286,134) | (279,258) |
| Other Income | 13,745 | 60,882 |
| **Loss Before Provision for Income Taxes** | **(357,109)** | **(132,866)** |
| Provision for Income Taxes | - | - |
| | | |
| **Net Loss** | **$ (357,109)** | **$ (132,866)** |

*See accompanying notes to consolidated financial statements.*

# CARTEL COFFEE LAB, INC. AND ITS SUBSIDIARIES
## CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' DEFICIT

| (USD $ in Dollars) | Class A Common Stock Shares | Class A Common Stock Amount | Class B Common Stock Shares | Class B Common Stock Amount | Additional Paid-In Capital | Accumulated Deficit | Total Stockholders' Deficit |
|---|---|---|---|---|---|---|---|
| **Balance at January 1, 2024** | **-** | **$ -** | **-** | **$ -** | **$ -** | **$ (165,444)** | **$ (165,444)** |
| **Recapitalized at January 1, 2024 (as-if converted)** | **6,299,996** | **$ 630** | **-** | **$ -** | **$ -** | **$ (166,074)** | **$ (165,444)** |
| Capital Distribution | - | - | - | - | - | (2,250) | (2,250) |
| Net Loss | - | - | - | - | - | (132,866) | (132,866) |
| **Balance at December 31, 2024 (recast)** | **6,299,996** | **630** | **-** | **-** | **-** | **(301,190)** | **(300,560)** |
| Issuance of Class B Common Stock | - | - | 89,734 | 9 | 381,516 | - | 381,525 |
| Equity Issuance Costs | - | - | - | - | (36,296) | - | (36,296) |
| Net Loss | - | - | - | - | - | (357,109) | (357,109) |
| **Balance at December 31, 2025** | **6,299,996** | **$ 630** | **89,734** | **$ 9** | **$ 345,220** | **$ (658,299)** | **$ (312,440)** |

*See accompanying notes to consolidated financial statements.*

## CARTEL COFFEE LAB, INC. AND ITS SUBSIDIARIES
### CONSOLIDATED STATEMENTS OF CASH FLOWS

| For Fiscal Year Ended December 31, | 2025 | 2024 |
|---|---|---|
| (USD $ in Dollars) | | |
| **CASH FLOW FROM OPERATING ACTIVITIES** | | |
| Net Loss | $ (357,109) | $ (132,866) |
| *Adjustments to Reconcile Net Loss to Net Cash Provided by Operating Activities* | | |
| Depreciation of Property and Equipment | 501,461 | 464,971 |
| Amortization of Intangible Assets | 8,700 | 8,700 |
| Amortization of Right-of-Use Asset | 313,495 | 250,047 |
| Lease Expense | 203,476 | 186,270 |
| Changes in Operating Assets and Liabilities: | | |
| Accounts Receivable, net | (140,311) | 48,489 |
| Inventory | (54,288) | (106,374) |
| Prepaids and Other Current Assets | (44,716) | 282,763 |
| Accounts Payable | 334,464 | (378,565) |
| Credit Cards | 24,635 | (18,082) |
| Other Current Liabilities | 16,299 | (8,103) |
| Security Deposit | (800) | (60) |
| Lease Payments | (523,526) | (394,360) |
| **Net Cash Provided by Operating Activities** | **281,780** | **202,830** |
| | | |
| **CASH FLOW FROM INVESTING ACTIVITIES** | | |
| Purchases of Property and Equipment | (297,503) | (438,643) |
| **Net Cash Used in Investing Activities** | **(297,503)** | **(438,643)** |
| | | |
| **CASH FLOW FROM FINANCING ACTIVITIES** | | |
| Capital Distribution | - | (2,250) |
| Proceeds from Issuance of Class B Common Stock | 381,525 | - |
| Equity Issuance Costs | (36,296) | - |
| Borrowing on Loans and Promissory Notes Payable | - | 485,649 |
| Repayment of Loans and Promissory Notes Payable | (156,899) | (233,615) |
| Borrowing on Related Party Notes Payable | - | 72,717 |
| Repayment of Related Party Notes Payable | (10,205) | (98,638) |
| **Net Cash Provided in Financing Activities** | **178,125** | **223,863** |
| | | |
| Change in Cash | 162,402 | (11,950) |
| Cash—Beginning of Year | 119,528 | 131,478 |
| **Cash—End of Year** | **$ 281,930** | **$ 119,528** |
| | | |
| **SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION** | | |
| Cash Paid During the Year for Interest | $ 82,658 | $ 92,988 |
| Cash Paid During the Year for Income Taxes | $ - | $ - |
| | | |
| **OTHER NONCASH INVESTING AND FINANCING ACTIVITIES AND SUPPLEMENTAL DISCLOSURES** | | |
| Additions of Right-of-Use Asset | $ 237,944 | $ 430,992 |

*See accompanying notes to consolidated financial statements.*

## 1. NATURE OF OPERATIONS

Cartel Coffee Lab, Inc. (formerly known as Cartel Coffee Lab, LLC), together with its subsidiaries (collectively, the "Company"), is a specialty coffee company engaged in manufacturing, wholesale, e-commerce, and retail operations. Cartel Coffee Lab, LLC was formed in Arizona on August 28, 2007. On July 17, 2025, the Company converted from an Arizona limited liability company to a Delaware corporation under the name Cartel Coffee Lab, Inc. The conversion represented a continuation of the existing entity in corporate form, and all outstanding LLC membership interests were converted into an aggregate of 6,299,996 shares of Class A Common Stock of Cartel Coffee Lab, Inc.

The Company has 13 subsidiaries through which it conducts certain of its operations in Arizona and California. The accompanying consolidated financial statements of the Company are prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All significant intercompany balances and transactions have been eliminated in consolidation. The Company's headquarters are located in Tempe, Arizona.

Cartel Coffee Lab is a vertically integrated specialty coffee company engaged in both manufacturing and retail operations. On the manufacturing side, the Company roasts coffee for retail, wholesale, and e-commerce purposes and also brews and packages cold brew and kegged tea. The Company operates a commercial kitchen that produces pastries and assembles grab-and-go food items for its retail locations. On the retail side, the Company operates 15 coffee shops in Arizona and California. Its operations are supported by a corporate office, warehouse, and delivery team.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Basis of Presentation

The accounting and reporting policies of the Company conform to US GAAP. The Company has adopted a calendar year as its basis of reporting.

### Basis of Consolidation

The Company's consolidated financial statements include accounts of subsidiaries over which the Company exercise control. All significant intercompany transactions and accounts have been eliminated.

### Use of Estimates

The preparation of financial statements is in conformity with US GAAP, which 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### Correction of Prior-Period Errors

During the preparation and audit of the Company's consolidated financial statements for the years ended December 31, 2025 and 2024, management identified certain prior-period errors related to (i) operating and finance lease accounting, (ii) loan balances and debt classifications, (iii) related-party loan classification, (iv) expense cutoff, and (v) property and equipment and intangible asset classifications.

These errors primarily relate to non-cash accounting adjustments, financial statement classification differences, and the recognition of expenses in the appropriate reporting periods.

i. **Operating and Finance Lease Accounting** – Certain operating lease right-of-use assets, lease liabilities, and related expenses were incorrectly recognized or measured in prior periods. The

corrections resulted in an additional net loss of $26,455 for 2024 and adjustments affecting beginning equity. Additionally, a $15,500 storage-tank rent-to-own arrangement previously classified as loans payable was reclassified to finance lease liabilities in accordance with ASC 842.

ii. **Loan Balances and Debt Classifications** – Certain outstanding loan balances differed from amounts confirmed by third-party lenders, resulting in additional interest expense of approximately $7,182 for 2024. The Company also corrected the classification of certain financing obligations between current and noncurrent liabilities based on their contractual maturities.

iii. **Related-Party Loan Classification** – A borrowing of $12,922 from a related party was previously included in general loans payable rather than separately presented as related-party notes payable. The amount was reclassified, and the related disclosures were updated accordingly.

iv. **Expense Cutoff** – Professional fees totaling $4,635 relating to services rendered in 2024 were recorded in 2025 instead of the appropriate reporting period. The correction resulted in additional general and administrative expense and a corresponding accrued liability in 2024.

v. **Property and Equipment and Intangible Asset Classifications** – Physical store signage totaling $65,745 was incorrectly classified as intangible assets rather than property and equipment. Additionally, accumulated amortization of $23,350 and related 2024 amortization expense of $8,700 were reclassified from depreciation to the appropriate amortization accounts. These adjustments did not affect total assets, total expenses, or net loss.

**Effects of Prior-Period Corrections**

Collectively, the corrections resulted in an increase in the previously reported 2024 net loss of $38,272 and a reduction in beginning equity as of January 1, 2024 of $18,907, resulting in a cumulative reduction in equity of $57,179 as of December 31, 2024.

The corrections also affected the presentation of certain operating and finance lease assets and liabilities, loan obligations, related-party borrowings, and property and equipment and intangible asset balances. These adjustments are reflected in the accompanying consolidated financial statements and related notes.

The corrections did not affect the Company's previously reported revenue, gross profit, or ending cash balances.

Management evaluated the errors in accordance with ASC 250, *Accounting Changes and Error Corrections*, considering both quantitative and qualitative materiality factors. Management concluded that the errors were not material, individually or in the aggregate, to the previously issued financial statements.

Accordingly, the comparative 2024 financial statement amounts have been revised to reflect the identified corrections but are not labeled as restated.

## Cash

Cash includes all cash in banks. The Company's cash is deposited in demand accounts at financial institutions that management believes are creditworthy. The Company's cash in bank accounts, at times, may exceed federally insured limits. As of December 31, 2025 and 2024, the Company's cash exceeded FDIC insured limits by $25,879 and nil, respectively.

## Concentration of Credit Risk

The Company is subject to concentrations of credit risks primarily from cash and accounts receivable. At various times during the years, the Company may have bank deposits in excess of Federal Deposit Insurance Corporation insurance limits. Management believes any credit risk is low due to the overall financial strength of the financial institutions. Accounts receivable consists of uncollateralized receivables from customers/clients primarily located throughout the United States of America.

**Accounts Receivable**
Accounts receivable is carried net of allowance for expected credit losses. The allowance for expected credit losses is increased by provision charged to expense and reduced by accounts charged off, net of recoveries. The allowance is maintained at a level considered adequate to provide for potential account losses based on management's evaluation of the anticipated impact on the balance of current economic conditions, changes in character and size of the balance, past and expected future loss experience and other pertinent factors.

As of December 31, 2025 and 2024, the Company determined that no allowance for expected credit loss is needed.

**Inventories**
Inventories are valued at the lower of cost and net realizable value. Inventories include costs for ingredients and finished goods which are determined using a FIFO (first-in-first-out) method.

**Property and Equipment**
Property and equipment are stated at cost. Expenditures for additions, major renewals and betterments are capitalized, and expenditures for maintenance and repairs are charged against income as incurred. When property and equipment are retired or otherwise disposed of, the related cost and accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in statements of operations.

Depreciation and amortization of property and equipment are computed using the straight-line method over the estimated useful lives of the respective assets. Leasehold improvements are amortized on a straight-line basis over either the useful life of the improvement or the remainder of the related lease term, whichever is shorter.

Estimated useful lives for property and equipment are as follows:

| Category | Useful Life |
|---|---|
| Equipment | 5 years |
| Leasehold Improvements | 5 - 15 years |
| Vehicles | 5 years |
| Furniture and Fixtures | 5 years |
| Signs | 5 - 15 years |

**Intangibles**
Intangible assets with finite lives, such as website design, are amortized on a straight-line basis over their estimated useful lives of 5 years.

**Impairment of Long-Lived Assets**

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. An impairment loss is recorded in the period in which it is determined that the carrying amount is not recoverable. The determination of recoverability is made based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. The measurement of the impairment for long-lived assets is based on the asset's estimated fair value. No such impairment was recorded for the years ended December 31, 2025 and 2024.

## Debt

The Company accounts for debt, including related-party loans, in accordance with ASC 470, *Debt*. Borrowings are recorded at the amount of proceeds received, net of any debt issuance costs. Debt is subsequently carried at amortized cost. Debt issuance costs, if any, are amortized to interest expense over the contractual term of the arrangement using the effective interest method.

Obligations due within twelve months of the balance sheet date are classified as current liabilities, while obligations due beyond twelve months are classified as noncurrent liabilities. Interest expense is recognized in the statements of operations as incurred.

Management evaluates compliance with debt covenants, if any, as of each reporting date.

## Revenue Recognition

The Company recognizes revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the Company expects to be entitled to in exchange for those goods or services. In determining when and how revenue is to be recognized from contracts with customers, the Company performs the following five step analysis laid under Accounting Standard Codification ("ASC") 606, *Revenue from Contracts with Customers*: (1) identification of contract with customers, (2) determination of performance obligations, (3) measurement of the transaction price, (4) allocation of transaction price to the performance obligations, and (5) recognition of revenue when or as the company satisfies each performance obligation.

Revenue is primarily derived from the sale of coffee, beverages, food items, and related products through the Company's retail stores, wholesale channels, and e-commerce platform. The Company also generates revenue from cold brew and kegged tea production, as well as from its in-house commercial kitchen operations.

*Retail Store Sales*

Revenue from sales at the Company's retail locations is recognized at the point in time when the customer takes possession of the purchased items. This includes brewed coffee, cold brew, tea, pastries, and grab-and-go food items.

*Online Sales (E-commerce)*

Revenue from e-commerce transactions is recognized at the point in time when the goods are shipped and leave the Company's warehouse, which is when control transfers. Shipping and handling charges billed to customers are included in revenue, and the related costs are included in cost of goods sold.

*Wholesale Sales*

Revenue from wholesale transactions is recognized at the point in time when the goods are shipped and leave the Company's warehouse.

## Cost of Sales

Cost of sales include the cost of retail products, packing materials, freight and delivery and other variable and fixed overheads.

## Income Taxes

Prior to July 17, 2025, the Company operated as Cartel Coffee Lab, LLC, an Arizona limited liability company that elected to be taxed as a partnership for federal income tax purposes. Accordingly, the Company's taxable income or loss was passed through to its members, and no provision for federal income taxes was recorded for that period. On July 17, 2025, the Company converted to a Delaware corporation under the name Cartel Coffee Lab, Inc. and became subject to U.S. federal and applicable state corporate income taxes. From the date of conversion, the Company accounts for income taxes in accordance with ASC 740, *Income Taxes*.

The Company is taxed as a C corporation for income tax purposes. The Company accounts for income taxes under the liability method, and deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates in effect for the year in which those temporary differences are expected to be recovered or settled. A valuation allowance is provided on deferred tax assets if it is determined that it is more likely than not that the deferred tax asset will not be realized. The Company records interest, net of any applicable related income tax benefit, on potential income tax contingencies as a component of income tax expense. The Company records tax positions taken or expected to be taken in a tax return based upon the amount that is more likely than not to be realized or paid, including in connection with the resolution of any related appeals or other legal processes. Accordingly, the Company recognizes liabilities for certain unrecognized tax benefits based on the amounts that are more likely than not to be settled with the relevant taxing authority. The Company recognizes interest and/or penalties related to unrecognized tax benefits as a component of income tax expense.

## Leases

The Company determines if an arrangement is a lease at inception by determining whether the agreement conveys the right to control the use of the identified asset for a period of time, whether the Company has the right to obtain substantially all of the economic benefits from use of the identified asset, and the right to direct the use of the asset. Lease liabilities are recognized at the commencement date based upon the present value of the remaining future minimum lease payments over the lease term using the rate implicit in the lease or the Company's incremental borrowing rate. The incremental borrowing rate is defined as the rate of interest the Company would have to pay to borrow on a collateralized basis over a similar term in an amount equal to the lease payments in a similar economic environment. The Company's lease terms include options to renew or terminate the lease when it is reasonably certain that it will exercise the option.

The lease right-of-use assets are initially measured at the carrying amount of the lease liability and adjusted for any prepaid or accrued lease payments, remaining balance of lease incentives received, unamortized initial direct costs, or impairment charges relating to the right-of-use-asset. Certain leases contain escalation clauses, which are factored into the right-of-use asset where appropriate. Lease expense for minimum lease payments is recognized on straight-line basis over the lease term.

Variable lease expenses include payments related to the usage of the leased asset (utilities, real estate taxes, insurance, and variable common area maintenance) and are expensed as incurred.

## Equity Issuance Costs

Equity issuance costs are costs directly attributable to issuance of equity securities including common stock and/or preferred stock. These costs generally include underwriting fees, legal fees, accounting fees, printing and filing fees, and other costs associated with issuance of equity securities.

## Fair Value of Financial Instruments

The carrying value of the Company's financial instruments included in current assets and current liabilities (such as cash, accounts receivable, accounts payable, and accrued expenses) approximates fair value due to the short-term nature of such instruments.

The inputs used to measure fair value are based on a hierarchy that prioritizes observable and unobservable inputs used in valuation techniques. These levels, in order of highest to lowest priority, are described below:

> ***Level 1***—Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities.
>
> ***Level 2***—Observable prices that are based on inputs not quoted on active markets but corroborated by market data.
>
> ***Level 3***—Unobservable inputs reflecting the Company's assumptions, consistent with reasonably available assumptions made by other market participants. These valuations require significant judgment.

## Advertising & Promotional Costs

Advertising and promotional costs are expensed as incurred. Advertising and promotional expense for the years ended December 31, 2025 and 2024 amounted to $86,325 and $20,230, respectively, which is included in sales and marketing expense.

## Subsequent Events

The Company considers events or transactions that occur after the balance sheet date, but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated through October 30, 2026, which is the date the financial statements were available to be issued.

## Recently Issued Accounting Pronouncements

Effective January 1, 2025, the Company adopted Accounting Standards Update ("ASU") 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. The amendments enhance income tax disclosures, primarily related to the income tax rate reconciliation and income taxes paid. The adoption of the ASU did not affect the recognition or measurement of income taxes but resulted in additional income tax disclosures.

Management does not believe other recently issued ASUs will have a material impact on the Company's financial statements.

## Recently Issued Accounting Pronouncements Not Yet Adopted

Management has reviewed other accounting standards issued but not yet effective and does not believe that any such standards will have a material impact on the Company's financial position, results of operations, or cash flows upon adoption.

## 3. DETAILS OF CERTAIN ASSETS AND LIABILITIES

Prepaid and other current assets consist of the following:

| As of December 31, | 2025 | 2024 |
|---|---|---|
| Prepaid Expenses | $ 33,547 | $ 31,110 |
| Advances to Suppliers | 21,104 | - |
| Other Receivables | 21,175 | - |
| **Total Prepaids and Other Current Assets** | **$ 75,826** | **$ 31,110** |

Other current liabilities consist of the following:

| As of December 31, | 2025 | 2024 |
|---|---|---|
| Accrued Expenses | $ 98,714 | $ 85,685 |
| Deposits- Tips | 30,296 | 25,463 |
| Gift Card Payable | 22,132 | 23,695 |
| **Total Other Current Liabilities** | **$ 151,142** | **$ 134,843** |

## 4. INVENTORIES

Inventories consist primarily of green coffee beans, roasted coffee, cold brew products, food ingredients, packaging materials, and other finished goods.

Inventories as of December 31, 2025 and 2024 amounted to $344,771 and $290,483, respectively.

Management assesses inventories for slow-moving, obsolete, and damaged items and records any necessary write-downs to net realizable value.

## 5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following:

| As of Year Ended December 31, | 2025 | 2024 |
|---|---|---|
| Equipment | $ 1,867,264 | $ 1,809,559 |
| Leasehold Improvements | 1,328,881 | 1,089,083 |
| Vehicles | 192,886 | 192,886 |
| Furniture and Fixtures | 111,451 | 111,451 |
| **Property and Equipment, at Cost** | **3,500,482** | **3,202,979** |
| Accumulated Depreciation | (2,927,396) | (2,425,935) |
| **Property and Equipment, Net** | **$ 573,086** | **$ 777,044** |

Depreciation expense for the years ended December 31, 2025 and 2024 was $501,461 and $464,971, respectively.

## 6. INTANGIBLE ASSETS

Intangible assets consist of the following:

| As of Year Ended December 31, | 2025 | 2024 |
|---|---|---|
| Website Design | $ 43,500 | $ 43,500 |
| **Intangible Assets, at Cost** | **43,500** | **43,500** |
| Accumulated Amortization | (32,050) | (23,350) |
| **Intangible Assets, net** | **$ 11,450** | **$ 20,150** |

Amortization expense for the years ended December 31, 2025 and 2024 was $8,700 and $8,700, respectively.

Estimated annual amortization expense subsequent to December 31, 2025 is as follows:

| Year ending December 31, | |
|---|---|
| 2026 | $ 8,417 |
| 2027 | 3,033 |
| **Total** | **$ 11,450** |

## 7. LEASES

The Company leases office, warehouse, production, and retail locations under operating lease arrangements. Certain lease arrangements provide for fixed monthly rental payments and are recognized as right-of-use assets and lease liabilities in accordance with ASC 842. The Company also has lease arrangements containing variable payments based primarily on a percentage of revenue. Variable lease payments that are not based on an index or rate are excluded from the measurement of the related right-of-use assets and lease liabilities and are recognized as expense in the period in which the obligation is incurred.

Operating lease expense is recognized on a straight-line basis over the respective lease terms. The Company had operating lease liabilities of $1,913,347 and $1,990,690 as of December 31, 2025 and 2024, respectively, of which $320,980 and $282,030 were classified as current and $1,592,367 and $1,708,660 were classified as noncurrent, respectively.

The weighted average discount rate for operating leases as of December 31, 2025 and 2024 were 10%.

In addition, the Company leases certain storage tanks under rent-to-own arrangements. The arrangements that provide for transfer of ownership to the Company upon completion of the contractual payment terms are accounted for as finance leases. The related finance lease liabilities were $10,737 and $15,500 as of December 31, 2025 and 2024, respectively, of which $4,516 and $4,894 were classified as current and $6,221 and $10,606 were classified as noncurrent, respectively.

Minimum future payments under non-cancellable operating and finance leases as of December 31, 2025 are as follows:

| Year ending December 31, | | |
|---|---|---|
| 2026 | $ | 498,658 |
| 2027 | | 480,595 |
| 2028 | | 407,534 |
| 2029 | | 408,080 |
| 2030 | | 315,476 |
| Thereafter | | 389,052 |
| Present Value Discount | | (575,311) |
| **Total** | **$** | **1,924,084** |

## 8. DEBT

The Company had outstanding term loans and promissory notes payable with varying maturities. Details of loans outstanding are as follows:

| | | | As of December 31, | |
|---|---|---|---|---|
| **Third Party Loans and Promissory Notes Payable** | **Maturity Year** | **Effective Interest rate** | **2025** | **2024** |
| JPMorgan Chase – Term Loan | 2025 | 7.45% | $ - | $ 14,990 |
| JPMorgan Chase – Term Loan | 2026 | 9.55%–11.3% | 39,284 | 44,319 |
| CIT Bank – Equipment Financing | 2027–2028 | 8.2%–11.07% | 148,202 | 207,195 |
| First Citizens – Equipment Financing | 2028 | 8.88% | 127,901 | 167,319 |
| SBA EIDL | 2050 | 3.75% | 136,508 | 142,578 |
| Arizona Capital Source | 2034 | Variable | 311,263 | 335,058 |
| Ford – Vehicle Financing | 2029 | 9.56% | 41,697 | 50,295 |
| Total Third-Party Term Loans and Promissory Notes Payable | | | 804,855 | 961,754 |
| Less: Current Portion | | | (189,667) | (144,472) |
| **Long-Term Portion** | | | **$ 615,188** | **$ 817,282** |

### Related Party Notes Payable

During 2024, the Company entered into promissory notes with Jason and Amy Silberschlag, principal shareholders of the Company, and Deborah Campbell, a family member of a principal shareholder. The loans bear annual interest rates ranging from 4.37% to 8.50% and mature between 2026 and 2027. The outstanding balances of the related-party loans as of December 31, 2025 and 2024 were as follows:

| | | | As of December 31, | |
|---|---|---|---|---|
| **Related Party Notes Payable** | **Maturity Year** | **Effective Interest rate** | **2025** | **2024** |
| Jason and Amy Silberschlag | 2027 | 4.37% | $ 70,000 | $ 70,000 |
| Deborah Campbell | 2026 | 8.50% | 2,717 | 12,922 |
| Total Related Party Notes Payable | | | 72,717 | 82,922 |
| Less: Current Portion | | | (2,717) | (10,205) |
| **Long-Term Portion** | | | **$ 70,000** | **$ 72,717** |

As of December 31, 2025, the aggregate maturities of long-term borrowings are as follows:

| Year Ending December 31, | | |
|---|---|---|
| 2026 | $ | 192,384 |
| 2027 | | 224,254 |
| 2028 | | 92,588 |
| 2029 | | 46,720 |
| Thereafter | | 321,626 |
| **Total** | **$** | **877,572** |

## 9. CAPITALIZATION AND EQUITY TRANSACTIONS

### Conversion and Recapitalization

On July 17, 2025, Cartel Coffee Lab, LLC converted from an Arizona limited liability company into Cartel Coffee Lab, Inc., a Delaware corporation, pursuant to a Plan of Conversion. The conversion represented a continuation of the existing entity in corporate form. In connection with the conversion, all outstanding LLC membership interests were converted into an aggregate of 6,299,996 shares of Class A Common Stock.

For comparative financial statement presentation, the Company's equity as of January 1, 2024, and for the year ended December 31, 2024, has been retrospectively recast to reflect the equivalent Class A Common Stock structure, with corresponding reclassifications within stockholders' equity. The conversion did not change the carrying amounts of the Company's assets and liabilities or its total equity.

### Class A Common Stock

The Company is authorized to issue 9,645,000 shares of Class A Common Stock with a par value of $0.0001 per share. As of December 31, 2025, and December 31, 2024, as recast, the Company had 6,299,996 shares of Class A Common Stock issued and outstanding, with an aggregate par value of $630.

### Class B Common Stock

The Company is authorized to issue 355,000 shares of Class B Common Stock with a par value of $0.0001 per share.

During 2025, the Company issued 89,734 shares of Class B Common Stock in connection with its Regulation Crowdfunding offering, resulting in gross proceeds of $381,525, of which $9 was recorded as common stock and $381,516 as additional paid-in capital. The Company also recorded $36,296 of direct equity issuance costs as a reduction of additional paid-in capital.

As of December 31, 2025 and 2024, the Company had 89,734 and no shares of Class B Common Stock issued and outstanding, respectively.

### Preferred Stock

The Company is authorized to issue 10,000,000 shares of Preferred Stock with a par value of $0.0001 per share. As of December 31, 2025 and 2024, no shares of Preferred Stock were issued or outstanding.

### 2025 Equity Incentive Plan

On July 17, 2025, the Company reserved 700,000 shares of its Class A Common Stock, with a par value of $0.0001 per share, for issuance under the Company's 2025 Equity Incentive Plan.

### Additional Paid-In Capital

Additional paid-in capital represents proceeds from the issuance of common stock in excess of par value, net of direct equity issuance costs. As of December 31, 2025, the Company had additional paid-in capital of $345,220, consisting of $381,516 from the issuance of Class B Common Stock, less $36,296 of equity issuance costs.

## 10. INCOME TAXES

Prior to July 17, 2025, the Company operated as a limited liability company taxed as a partnership for federal income tax purposes. Accordingly, its taxable income or losses were generally passed through to its members, and no provision for federal corporate income taxes was recorded for that period.

On July 17, 2025, the Company converted to a Delaware corporation and became subject to U.S. federal and applicable state corporate income taxes. Beginning on that date, the Company accounts for income taxes in accordance with ASC 740, *Income Taxes*.

The provision for income taxes for the years ended December 31, 2025 and 2024 was $0.

The Company evaluates deferred tax assets and liabilities arising from temporary differences between the financial reporting and tax bases of assets and liabilities, as well as applicable tax loss carryforwards. A valuation allowance is recognized when it is more likely than not that some or all of the deferred tax assets will not be realized. As of December 31, 2025 and 2024, the Company had no unrecognized tax benefits.

The Company recognizes interest and penalties related to income tax matters in income tax expense. As of December 31, 2025 and 2024, the Company had no accrued interest and penalties related to uncertain tax positions.

## 11. RELATED PARTY

### Related-Party Loans

During 2024, the Company entered into promissory notes with Jason and Amy Silberschlag, principal shareholders of the Company, and Deborah Campbell, a family member of a principal shareholder. Refer to Note 8, *Debt*, for the terms and outstanding balances of these borrowings as of December 31, 2025 and 2024.

### Transactions with AZ Chewys LLC

AZ Chewys LLC ("Chewys") is a related entity in which Jason R. Silberschlag, a principal shareholder of the Company, holds a 75% ownership interest. The Company provides Chewys with administrative, accounting, bookkeeping, payroll, and human resources services. The Company also shares certain premises and occupancy costs with Chewys and receives reimbursements for expenses incurred on its behalf.

The Company's transactions with Chewys during the years ended December 31, 2025 and 2024 were as follows:

| For the year ended December 31, | 2025 | 2024 |
|---|---|---|
| Administrative, Accounting, and Payroll Service Fees | $ 16,500 | $ 15,000 |
| Shared Premises and Occupancy Cost Allocations | 97,440 | 69,836 |
| Expense Reimbursements and Other Transactions | 16,223 | 40,237 |
| **Total** | **$ 130,163** | **$ 125,073** |

The service agreement provides for a monthly fee of $1,500, payable by the 20th day of each month. Unpaid service fees may bear interest at an annual rate of 10%, while expenses incurred by the Company on behalf of Chewys are reimbursable within 15 business days. The shared-premises arrangement provides for the allocation of applicable occupancy costs, including rent, utilities, maintenance, insurance, and other related expenses.

As of December 31, 2025 and 2024, amounts due from AZ Chewys LLC were $156,699 and $38,036, respectively, and are included in accounts receivable in the accompanying consolidated balance sheets.

**Transactions with CPG 8016 LLC**

CPG 8016 LLC is a related entity through its ownership and management affiliations with certain shareholders and management personnel of the Company.

On June 1, 2025, Cartel Roasting Co. LLC, a subsidiary of the Company, entered into a sublease agreement with CPG 8016 LLC for commercial premises in Los Angeles, California. The sublease commenced on July 1, 2025 and expires on September 30, 2027. The agreement provides for monthly base rent of $24,850 beginning January 1, 2026 and a security deposit of $24,850. Jason and Amy Silberschlag have personally guaranteed the subsidiary's obligations under the sublease.

## 12. COMMITMENTS AND CONTINGENCIES

**Contingencies**

The Company’s operations are subject to a variety of local and state regulations. Failure to comply with one or more of those regulations could result in fines, restrictions on its operations, or loss of permits that could result in the Company ceasing operations. As of December 31, 2025 and 2024, the Company was not involved in any legal proceedings, nor were any such proceedings known to be threatened, that are expected to have a material adverse impact on its financial position or results of operations.

**Litigation and Claims**

From time to time, the Company may be involved in litigation relating to claims arising out of operations in the normal course of business. As of December 31, 2025 and 2024, there were no pending or threatened lawsuits that could reasonably be expected to have a material effect on the results of the Company’s operations.

**Leases**

The Company has entered into operating lease agreements for its retail locations, office space, and other facilities, which require future lease payments over their respective terms. These arrangements include a related-party sublease with CPG 8016 LLC that expires on September 30, 2027. Refer to Note 7, *Leases*, for additional information regarding the Company's lease obligations and future minimum lease payments.

## 13. GOING CONCERN

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern, which contemplates the realization of assets and the settlement of liabilities in the normal course of business.

The Company incurred net losses of $357,109 and $132,866 for the years ended December 31, 2025 and 2024, respectively. As of December 31, 2025, the Company had an accumulated deficit of $658,299, a stockholders' deficit of $312,440 and a working capital deficit of $440,246. Although the Company generated positive operating cash flows of $281,780 and $202,830 during 2025 and 2024, respectively, its recurring losses, working capital deficit and reliance on additional financing raise substantial doubt about its ability to continue as a going concern within one year after the date these consolidated financial statements are issued.

Management has taken steps to address these conditions by obtaining additional financing and expanding the Company's retail operations. During 2026, the Company obtained a $350,000 loan from Square and additional related-party financing totaling $237,500. The Company also opened two additional retail locations to support revenue growth. However, the Company's ability to continue as a going concern remains dependent on its ability to generate sufficient cash flows from operations and obtain additional financing, as necessary.

These conditions raise substantial doubt about the Company's ability to continue as a going concern. The accompanying consolidated financial statements do not include any adjustments to the recoverability or classification of assets or the amounts and classification of liabilities that might result from the outcome of this uncertainty.

## 14. SUBSEQUENT EVENTS

The Company has evaluated subsequent events through the date the financial statements were available for issuance, and has identified the following events occurring after December 31, 2025:

### Financing Arrangements

In March 2026, the Company obtained a $350,000 loan through Square. The loan requires total repayments of $397,250, including a $47,250 financing fee. Repayments are based on 19.25% of daily sales, subject to minimum payment requirements.

In August 2026, the Company entered into a revenue purchase agreement with Kalamata Capital Group, LLC pursuant to which the Company received net funding of approximately $600,000 in exchange for $816,000 of future receipts. Under the agreement, 6% of the Company’s future receipts are subject to remittance to the purchaser, with an initial weekly remittance of approximately $10,400, subject to adjustment based on actual receipts. The agreement also provides the purchaser with security interests in certain Company assets.

### Related-Party Financing

During 2026, the Company entered into additional promissory notes with related parties totaling $237,500, consisting of a $37,500 note from principal shareholders, a $100,000 note from a family member of a principal shareholder, and a $100,000 note from another related party. The notes bear annual interest rates ranging from 4.37% to 8.50% and mature between 2029 and 2031.

**Acquisition of Moto Deli**

In July 2026, Cartel Roasting Co., Inc., a subsidiary of the Company, entered into an agreement to acquire the business of Burger Papi LLC, doing business as Moto Deli, for a purchase price of $220,000. The Company paid a $20,000 deposit toward the purchase price, with the remaining consideration payable upon completion of the transaction.

Beginning September 14, 2026, the Company assumed day-to-day operations of the Moto Deli location and began receiving the related revenues and paying the operating expenses while completion of the formal transaction remained pending. The California Department of Alcoholic Beverage Control issued a temporary permit to Cartel Coffee Lab, Inc. for the Moto Deli premises effective September 14, 2026 through January 11, 2027.

**Legal Matter**

In June 2026, the Company received a pre-litigation demand letter alleging violations of the California Invasion of Privacy Act relating to the use of third-party cookies on its website. As of the date of the financial statements, no lawsuit has been filed to the Company's knowledge. The Company is evaluating the allegations and the potential effects of recent legislative developments. The outcome of this matter remains uncertain, and the Company is unable to reasonably estimate the amount or range of any potential loss. No liability has been recognized in the accompanying consolidated financial statements.

Except for the events stated above, there were no other events that required adjustment or disclosure to these financial statements.

EXHIBIT C TO FORM C

PROFILE SCREENSHOTS

[See attached]

INVEST IN CARTEL ROASTING · FOOD & BEVERAGE

# Award-Winning Specialty Coffee: Sourced, Roasted, Packaged In-House

16 locations across Arizona and California. Wholesale accounts, including Whole Foods, Sprouts, and MLB teams. A 12,000 sq ft. production facility roasting award-winning coffee, brewing and canning cold brew, and baking. Cartel Roasting isn't just cafes, it's a vertically integrated specialty roaster with $9.06M in 2025.*.

GET EQUITY

This Reg CF offering is made available through StartEngine Primary, LLC. This investment is speculative, illiquid, and involves a high degree of risk, including the possible loss of your entire investment.




## REASONS TO INVEST

01 **Industry Recognized Coffee:** Our Sonoran Sun Standard Cold Brew recently earned a silver medal in the Ready to Drink category at the Global Coffee Awards, adding to our two bronze medals from 2025 and a bronze at the 2023 Golden Bean Awards. Cartel has also been featured in USA Today, Eater, LA Magazine, and Phoenix Magazine.

02 **Community-Owned:** Our first crowdfunding round raised $947,925 from 684 shareholders. Since then, we've used these funds to open our ASU Campus Store and first LA flagship location, and acquired Moto Deli in Encinitas to expand our Southern California presence and strengthen our food program.

03 **Primed For Growth:** The foundation of our 12,000 sq ft production facility that houses our roastery, cold brew and canning line, commercial bakery and warehouse. In addition, our team has a combined 101 years in the hospitality industry.

*NO MONEY OR OTHER CONSIDERATION IS BEING SOLICITED, AND IF SENT IN RESPONSE, WILL NOT BE ACCEPTED. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE RECEIVED UNTIL THE OFFERING STATEMENT IS FILED AND ONLY THROUGH AN INTERMEDIARY'S PLATFORM. AN INDICATION OF INTEREST INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. "RESERVING" SECURITIES IS SIMPLY AN INDICATION OF INTEREST.*

**Past performance is not indicative of future results*

GET EQUITY
$5.55 Per Share

PREVIOUSLY CROWDFUNDED
$1,080,010

MIN INVEST
$299.70

VALUATION
$40.05M

**Have more questions?**

Request a live stream from Cartel Roasting. Streams play live in the StartEngine app, where you can watch and ask questions. Get the app to join.

Request a live stream

## TEAM



### Jason Silberschlag
**DIRECTOR, OWNER & BUSINESS DEVELOPMENT**

Jason is a Co-Founder of Cartel and an artist, builder, musician, and thinker. He is a creative problem solver and loves collaborating on new ideas and experiences. Coffee as a means of socialization and community building has become one of Jason's life passions, and it drives him to keep creating opportunity and growth for the people of Cartel.



### Amy Silberschlag
**DIRECTOR, OWNER, AND COMMUNITY DEVELOPMENT**

Amy is a Co-Founder of Cartel Roasting Co. and the "beating heart" of its community. For more than 19 years, Amy has focused on developing the people and culture that shape Cartel's unique identity. She leads the planning of company-wide initiatives that align with our core values to support long-term ethical growth, and she loves to mentor emerging leaders within the organization.



### Jesse Fangburn
**CHIEF EXECUTIVE OFFICER, PRINCIPAL ACCOUNTING OFFICER**

Jesse brings over 18 years of leadership experience, more than 14 of them with Cartel. Jesse has led major initiatives across operations, growth, and brand development. From opening new locations around the southwest US and building out our 12,000-square-foot production facility to overseeing marketing, design, and e-commerce, he brings a track record of turning vision into reality.



### Mercedes Infante
**CHIEF OPERATING OFFICER**

With 13 years at Cartel and over a decade in location management and leadership, Mercedes has helped grow Cartel to 15 locations across state lines. After six years as Director of Retail, she now leads our retail, bakery, and production teams as COO. Mercedes is passionate about fostering strong community connections through coffee and developing future leaders.



### Kelly Ehley
**DIRECTOR OF SALES & EVENTS**

Kelly has spent the past nine years leading initiatives across production, supply chain, marketing, and business development. With a degree in journalism and a career rooted in coffee, she's been instrumental in securing key partnerships with Whole Foods and major restaurant groups like Upward Projects.



### Kristina Grappo
**DIRECTOR OF MARKETING**

Kristina Grappo brings almost two decades of experience in marketing, branding, and development for restaurant and hospitality businesses across Los Angeles, Austin, Wichita, and

Phoenix. She was the founder, owner, and operator of Viola's Pantry, an Italian market and fresh pasta concept for over 5 years. Kristina holds a bachelor's degree from Villanova University and a culinary degree from Auguste Escoffier School of Culinary Arts. She brings a unique blend of...

Read more



Jamie Miller

**PARTNER & STRATEGIC ADVISOR**

Jamie is an experienced developer, business strategist, and licensed architect with expertise in acquisitions, development, and commercial leasing. Jamie has also founded and developed multiple successful concepts, including Union Cowork, a multi-unit, shared office business developed throughout Southern California.




THE PITCH

## We Facilitate Community Through Coffee

Cartel Roasting Co. was founded in Tempe, AZ by Amy and Jason Silberschlag. Everything we do, from sourcing to roasting to brewing, is done with a value for transparency, community, and quality. At Cartel Roasting Co, our goal is simple: we want to facilitate community through coffee.



OUR PRINCIPLES

### What's behind every cup



**Experience**

We curate meaningful coffee experiences that pair hospitality with craft to give our guests a reason to come back again and again.



**Coffee quality**

We buy exceptional coffees from farmers around the world, then carefully roast and brew each coffee to highlight their unique terroir.



**Community**

Our cafes are where people meet, work, study, have their first date or even start a business.

PRESS

## What are they saying about us?



WHAT ARE THEY SAYING ABOUT US?

"Tempe's favorite coffeehouse has a longstanding reputation as one of the best places for a cup of coffee in the Valley."

THRILLIST

"For coffee lovers, there's Cartel, a longtime Phoenix favorite for its specialty coffees made with roasted beans from around the world."

EATER

"Cartel was a natural partner for us. They've built a team (and community) of obsessive coffee enthusiasts that you can trust with all the fine details in bringing that little coffee seed to life."

MISTOBOX, CARTEL WHOLESALE PARTNER

AS FEATURED IN

Los Angeles | DAILY COFFEE NEWS

**Testimonials may not be representative of the experience of others and is not a guarantee of future performance or success*

THE PROBLEM & OUR SOLUTION

## Specialty Coffee for Everyone

Specialty coffee can feel intimidating. We want it to feel approachable,

whether you're new to coffee, or make your single origin pour-over every morning. We've intentionally crafted our offerings to meet you wherever you are on your coffee journey.







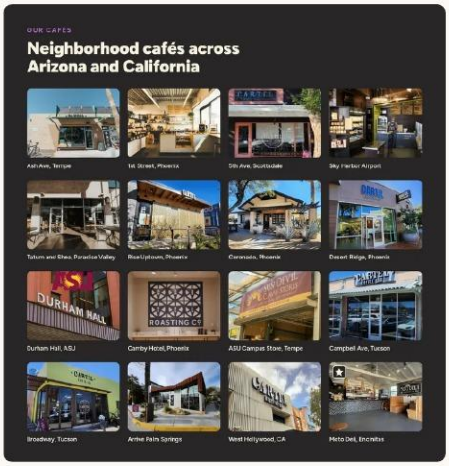
OUR LOCATIONS

## Our Location Growth

16 locations across Arizona and California

In 2008, we opened our first cafe in Tempe and since then have steadily grown to 16 locations across Arizona and California. We've operated in Palm Springs since 2018 and have recently targeted Southern California as our next market. In 2026, we've expanded our grocery offerings with our award-winning Cold Brew in Whole Foods, our whole bean coffee in Pavilions, we've opened our Los Angeles flagship location, and acquired Moto Deli in Encinitas. Moto Deli, a quick-serve restaurant, not only helps us grow in Southern California but will improve our food program.




THE MARKET & OUR TRACTION

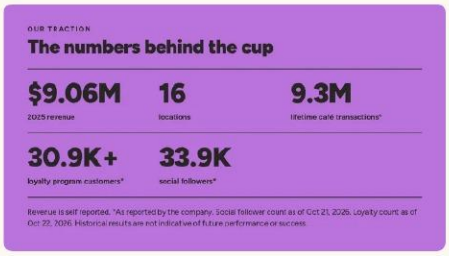
## Cartel generated $9.06M in

## Cartel generated $9.06M in revenue in 2025, up from $8.29M in 2024.*

Specialty coffee continues to grow, with the global specialty coffee market alone expected to grow from $101B in 2024 to $183B by 2030. We serve thousands of guests every day and maintain key retail and wholesale relationships with Whole Foods, Sprouts, Upward Projects, UNFI, Arrive Hotels, and HMS at Sky Harbor airport. Our social following reached 33.9K as of October 21, 2026.

Our Sonoran Sun Standard cold brew won a silver medal in the ready-to-drink category at the 2026 Global Coffee Awards, adding to bronze medals from the 2025 Global Coffee Awards and the 2023 Golden Bean Awards.

*Historical results are not indicative of future performance or success.



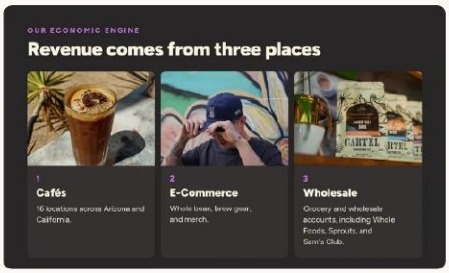
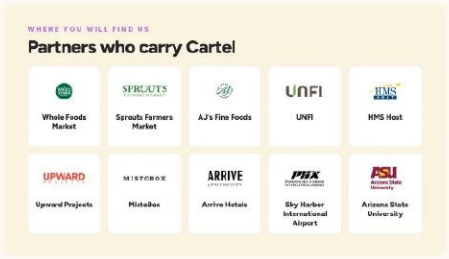




*Image is for illustrative purposes only. Forward-looking statements, projections, and depictions of products, services, or outcomes shown in this media are subject to risks and uncertainties. Past performance does not guarantee future results.*

PARTNERS

## Our Carefully Chosen Retail & Wholesale Relationships




INNOVATION & SUSTAINABILITY

## NuMilk

Cartel cafés serve NuMilk, made fresh in-house, which cuts packaging waste and gives customers alternative milks without gums or fillers.

By choosing to partner with NuMilk in 2022, we estimate we've diverted 175,000 cartons from landfills and reduced CO2 emissions by roughly 195 tons.

*Estimates based on internal data and NuMilk assumptions; actual impact may vary.




*Image is for illustrative purposes only. Forward-looking statements, projections, and depictions of products, services, or outcomes shown in this media are subject to risks and uncertainties. Past performance does not guarantee future results.*

GIVE BACK

## Give Back Blend

Through our Give Back program we highlight organizations doing meaningful work in our communities and donate a portion of the proceeds. This is a tangible way we connect our guests to organizations and causes that contribute positively to their community.




WHY INVEST

## Why Should You Invest In Cartel Roasting?

Cartel Roasting Co has a loyal customer base, scalability, and a socially conscious mission. Join us as we grow a purpose-driven coffee brand that puts people, quality, and impact first.

Funds raised for this campaign will support our goal of 30 locations by 2030.

Forward-looking statements are subject to risks and uncertainties; actual results may differ materially.




*Image is for illustrative purposes only. Forward-looking statements, projections, and depictions of products, services, or outcomes shown in this media are subject to risks and uncertainties. Past performance does not guarantee future results.*




*Image is for illustrative purposes only. Forward-looking statements, projections, and depictions of products, services, or outcomes shown in this media are subject to risks and uncertainties. Past performance does not guarantee future results.*



ABOUT

HEADQUARTERS
1605 W University Dr Ste 101
Tempe, AZ 85281

WEBSITE
cartelroasting.co ↗

16 locations across Arizona and California. Wholesale accounts, including Whole Foods, Sprouts, and MLB teams. A 12,000 sq ft. production facility roasting award-winning coffee, brewing and canning cold brew, and baking. Cartel Roasting isn't just cafes, it's a vertically integrated specialty roaster with $9.06M in 2025.^.

TERMS

### Overview

**Company**: Cartel Roasting

**Price Per Share**: $5.55

**Valuation**: $40.05M

**Funding Goal**: $20K - $4.31M

**Min Investment**: $299.70

Max Investment: $4,314,997.35

**Offering Type**: Equity

**Min Number of Shares Offered**: 3,603

**Max Number of Shares Offered**: 777,477

**Shares Offered**: Class B Common Stock

Maximum Number of Shares Offered subject to adjustment for bonus shares.

**SEC Recent Filing** **Offering Memorandum**

Financials +

Risks +

### Voting Rights of Securities Sold in this Offering

Voting Proxy. Each Subscriber shall appoint the Chief Executive Officer of the Company (the "CEO"), or his or her successor, as the Subscriber's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to, consistent with this instrument and on behalf of the Subscriber, (i) vote all Securities, (ii) give and receive notices and communications, (iii) execute any instrument or document that the CEO determines is necessary or appropriate in the exercise of its authority under this instrument, and (iv) take all actions necessary or appropriate in the judgment of the CEO for the accomplishment of the foregoing. The proxy and power granted by the Subscriber pursuant to this Section are coupled with an interest. Such proxy and power will be irrevocable. The proxy and power, so long as the Subscriber is an individual, will survive the death, incompetency and disability of the Subscriber and, so long as the Subscriber is an entity, will survive the merger or reorganization of the Subscriber or any other entity holding the Securities. However, the Proxy will terminate upon the closing of a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933 covering the offer and sale of Common Stock or the effectiveness of a registration statement under the Securities Exchange Act of 1934 covering the Common Stock.

**Maximum number of shares offered subject to adjustment for bonus shares. See Bonus info below.*

**Investment Incentives & Bonuses***

**Reservations Bonus | 10% Bonus Shares**

Reservation Holders in the Testing the Waters Page will receive 10% bonus shares.

**Loyalty Bonus | 20% Bonus Shares**

Previous investors and/or Cartel Roasting employees, you are eligible for additional 20% bonus shares.

**Time-Based Perks**

**Early Bird**

Invest $1,000+ within the first 2 weeks | 10% bonus shares.

Mid-Campaign Perks (Flash Perks)

Flash Perk 1

Invest $5,000+ between day 45 - 53 and receive 10% bonus shares.

Flash Perk 2

Invest $5,000+ between day 64 - 73 and receive 10% bonus shares.

**Amount-Based Perks**

**Prickly Pear**

Invest $600+ | Receive a $75 Online Gift Card (redeemable at cartelroasting.co).

**Ocotillo**

Invest $1,200+ | Receive a $150 Online Gift Card (redeemable at cartelroasting.co) + 5% bonus shares.

**Joshua Tree**

Invest $5,000+ | Receive a $225 Online Gift Card (redeemable at cartelroasting.co) + 7% bonus shares.

**Creosote**

Invest $10,000+ | Receive a $300 Online Gift Card (redeemable at cartelroasting.co) + 10% bonus shares.

**Palo Verde**

Invest $25,000+ | Join us for a private tour for four & coffee cupping at our production facility with the Founders and Executive Team, plus receive $300 Online Gift Card (redeemable at cartel roasting.co + 15% bonus shares.

**Saguaro**

Invest $50,000+ | Join us for a private tour for four, roast your own coffee with one of our roasters, attend a coffee cupping with our CEO, COO and Production Team to learn how we evaluate coffees, and enjoy breakfast with the Cartel Founders and Executive Team plus receive a $300 Online Gift Card (redeemable at cartelroasting.co) + 20% bonus shares.

**In order to receive perks from an investment, one must submit a single investment in the same offering that meets the minimum perk requirement. Bonus shares from perks will not be granted if an investor submits multiple investments that, when combined, meet the perk requirement. All perks occur when the offering is completed.*

*Crowdfunding investments made through a self-directed IRA cannot receive non-bonus share perks due to tax laws. The Internal Revenue Service (IRS) prohibits self-dealing transactions in which the investor receives an immediate, personal financial gain on investments owned by their retirement account. As a result, an investor must refuse those non-bonus share perks because they would be receiving a benefit from their IRA account.*

**The 10% StartEngine Venture Club Bonus**

Cartel Coffee Lab, Inc., doing business as Cartel Roasting Co., will offer 10% additional bonus shares for all investments that are committed by investors that are eligible for the StartEngine Venture Club.

This means eligible StartEngine shareholders will receive a 10% bonus for any shares they purchase in this offering. For example, if you buy 100 shares of Class B Common Stock at $5.55 / share, you will receive 110 shares of Class B Common Stock, meaning you'll own 110 shares for $555. Fractional shares will not be distributed and share bonuses will be determined by rounding down to the nearest whole share.

This 10% Bonus is only valid during the investor's eligibility period. Investors eligible for this bonus will also have priority if they are on a waitlist to invest and the company surpasses its maximum funding goal. They will have the first opportunity to invest should room in the offering become available if prior investments are canceled or fail.

Investors will receive the highest single bonus they are eligible for among the bonuses based on the amount invested and the time of offering elapsed (if any). Eligible investors will also receive the Venture Club Bonus, the Reservation Bonus and the Loyalty Bonus in addition to the aforementioned bonus.

### Irregular Use of Proceeds

*Example - The Company might incur irregular Use of Proceeds that may include but are not limited to the following over $10,000: Vendor payments and salary made to one's self, a friend or relative; Any expense labeled "Administration Expenses" that is not strictly for administrative purposes; Any expense labeled "Travel and Entertainment"; Any expense that is for the purposes of inter-company debt or back payments.*

INVESTMENT INCENTIVES & BONUSES

| | |
|---|---|
| TIER 1 | **$600 — Prickly Pear**<br>Invest $600+ \| Receive a $75 Online Gift Card (redeemable at cartelroasting.co). |
| TIER 2<br>LIMITED TIME | **$1,000 — Early Bird**<br>Invest $1,000+ within the first 2 weeks \| 10% bonus shares.<br>Ends In 02d 23h 52m 17s |
| TIER 3 | **$1,200 — Ocotillo**<br>Invest $1,200+ \| Receive a $150 Online Gift Card (redeemable at cartelroasting.co) + 5% bonus shares. |
| TIER 4 | **$5,000 — Joshua Tree**<br>Invest $5,000+ \| Receive a $225 Online Gift Card (redeemable at cartelroasting.co) + 7% bonus shares. |
| TIER 5 | **$10,000 — Creosote**<br>Invest $10,000+ \| Receive a $300 Online Gift Card (redeemable at cartelroasting.co) + 10% bonus shares. |
| TIER 6 | **$25,000 — Palo Verde**<br>Invest $25,000+ \| Join us for a private tour for four & coffee cupping at our production facility with the Founders and Executive Team, plus receive $300 Online Gift Card (redeemable at cartel roasting.co + 15% bonus shares. |
| TIER 7 | **$50,000 — Saguaro**<br>Invest $50,000+ \| Join us for a private tour for four, roast your own coffee with one of our roasters, attend a coffee cupping with our CEO, COO and Production Team to learn how we evaluate coffees, and enjoy breakfast with the Cartel Founders and Executive Team plus receive a $300 Online Gift Card (redeemable at cartelroasting.co) + 20% bonus shares. |

*Multiple investments in an offering cannot be combined to qualify for a larger campaign reward.*

## JOIN THE DISCUSSION

IM

What's on your mind? 0/2500

Post

**Ice breaker! What brought you to this investment?**

HOW INVESTING WORKS

Cancel anytime before 48 hours before a rolling close or the offering end date.

WHY STARTENGINE?

**REWARDS**
We want you to succeed and get the most out of your money by offering rewards and memberships!

**SECURE**
Your info is your info. We take pride in keeping it that way!

**DIVERSE INVESTMENTS**
Invest in over 200 start-ups and collectibles!

## FAQs

- What is Cartel Roasting?
- How much can I invest?
- How to open a Self-Directed IRA on StartEngine?
- When will I receive my shares?
- What will the return on my investment be?
- Can I cancel my investment?
- What is the difference between Regulation Crowdfunding and Regulation A+?

More FAQs →

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## Cartel Roasting

LEGAL DISCLAIMER

This Reg CF offering is made available through StartEngine Primary, LLC, a member of FINRA/SIPC. This investment is speculative, illiquid, and involves a high degree of risk, including the possible loss of your entire investment.

### Discover More Investment Opportunities

**Global Air Cylinder Wheels (GACW)**
DISRUPTING A $5 BILLION MARKET: ONE WHEEL DESIGNED FOR THE LIFE OF THE MINING TRUCK

**Etherdyne Technologies**
The Future of Power is Wireless

**CancerVAX**
A Revolutionary Way to Treat Cancer

**Future Cardia**
Voice of the Heart

### Learn More About Investing

**Browse All Investment Opportunities**
Discover startups and growth-stage companies raising capital on StartEngine.

**Pre-IPO Funds**
Explore Pre-IPO fund offerings on StartEngine.

**Browse Startups**
Explore startup offerings on StartEngine.

### Related Investment Opportunities

**Global Air Cylinder Wheels (GACW)**
DISRUPTING A $5 BILLION MARKET: ONE WHEEL DESIGNED FOR THE LIFE OF THE MINING TRUCK

**Etherdyne Technologies**
The Future of Power is Wireless

**CancerVAX**
A Revolutionary Way to Treat Cancer

**Future Cardia**
Voice of the Heart

start engine

Your destination for private market investing. Access pre-IPO companies and learn about Marketplace eligibility; buyer demand, liquidity, and execution may not be available.

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**Important Message**

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. INVESTMENTS ON STARTENGINE ARE SPECULATIVE, ILLIQUID, AND INVOLVE A HIGH DEGREE OF RISK, INCLUDING THE POSSIBLE LOSS OF YOUR ENTIRE INVESTMENT.

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**StartEngine facilitates three types of primary offerings:**

1. Regulation A offerings (JOBS Act Title IV; known as Regulation A+), which are offered to non-accredited and accredited investors alike. These offerings are made through StartEngine Primary, LLC (unless otherwise indicated).
2. Regulation D offerings (Rule 506(c)), which are offered only to accredited investors. These offerings are made through StartEngine Primary, LLC.
3. Regulation Crowdfunding offerings (JOBS Act Title III), which are offered to non-accredited and accredited investors alike. These offerings are made through StartEngine Capital, LLC.

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StartEngine Marketplace ("SE Marketplace") is a website operated by StartEngine Primary, LLC ("SE Primary"), a broker-dealer that is registered with the SEC and a member of FINRA and the SIPC.

**StartEngine Secondary ("SE Secondary")** is our investor trading platform. SE Secondary is an SEC-registered Alternative Trading System ("ATS") operated by SE Primary that matches orders for buyers and sellers of securities.

Even if a security is qualified to be displayed on SE Marketplace, there is no guarantee an active trading market for the securities will ever develop, or if developed, be maintained. You should assume that you may not be able to liquidate your investment for some time or be able to pledge these shares as collateral.

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California Investors Only - Do Not Sell My Personal Information (800-317-2200). StartEngine does not sell personal information. For all customer inquiries, please write to contact@startengine.com.

CARTEL

ARIZONA-BORN SPECIALTY COFFEE

**$9M**

**in 2025 revenue***

16 locations across Arizona and California, 18 years in business and refining our craft.

*$9.06M revenue in fiscal year 2025. Past performance is not indicative of future results.




INVEST IN CARTEL ROASTING · FOOD & BEVERAGE

# Award-Winning Specialty Coffee: Sourced, Roasted, Packaged In-House

16 locations across Arizona and California. Wholesale accounts, including Whole Foods, Sprouts, and MLB teams. A 12,000 sq ft. production facility roasting award-winning coffee, brewing and canning cold brew, and baking. Cartel Roasting isn't just cafes, it's a vertically integrated specialty roaster with $9.06M in 2025.*.

| $5.55 | $1,080,010 | $299.70 | $40.05M |
|---|---|---|---|
| PER SHARE | PREVIOUSLY CROWDFUNDED | MIN INVEST | VALUATION |

GET EQUITY

This Reg CF offering is made available through StartEngine Primary, LLC. This investment is speculative, illiquid, and involves a high degree of risk, including the possible loss of your entire investment.

*Past performance is not indicative of future results

REASONS TO INVEST

**01** **Industry Recognized Coffee**

Our Sonoran Sun Standard Cold Brew recently earned a silver medal in the Ready to Drink category at the Global Coffee Awards, adding to our two bronze medals from 2025 and a bronze at the 2023 Golden Bean Awards. Cartel has also been featured in USA Today, Eater, LA Magazine, and Phoenix Magazine.

**02** **Community-Owned**

Our first crowdfunding round raised $947,925 from 684 shareholders. Since then, we've used these funds to open our ASU Campus Store and first LA flagship location, and acquired Moto Deli in Encinitas to expand our Southern California presence and strengthen our food program.

**03** **Primed For Growth**

The foundation of our 12,000 sq ft production facility that houses our roastery, cold brew and canning line, commercial bakery and warehouse. In addition, our team has a combined 101 years in the hospitality industry.

*Past performance is not indicative of future results

TEAM



### Jason Silberschlag

DIRECTOR, OWNER & BUSINESS DEVELOPMENT

Jason is a Co-Founder of Cartel and an artist, builder, musician, and thinker. He is a creative problem solver and loves collaborating on new ideas and experiences. Coffee as a means of socialization and community building has become one of Jason's life passions, and it drives him to keep creating opportunity and growth for the people of Cartel.



### Amy Silberschlag

DIRECTOR, OWNER, AND COMMUNITY DEVELOPMENT

Amy is a Co-Founder of Cartel Roasting Co. and the "beating heart" of its community. For more than 19 years, Amy has focused on developing the people and culture that shape Cartel's unique identity. She leads the planning of company-wide initiatives that align with our core values to support long-term ethical growth, and she loves to mentor emerging leaders within the organization.



### Jesse Pangburn

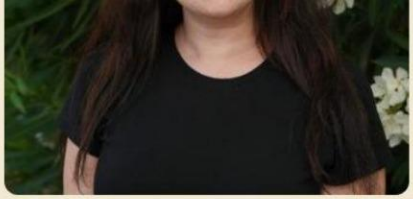
CHIEF EXECUTIVE OFFICER, PRINCIPAL ACCOUNTING OFFICER

Jesse brings over 18 years of leadership experience, more than 14 of them with Cartel. Jesse has led major initiatives across operations, growth, and brand development. From opening new locations around the southwest US and building out our 12,000-square-foot production facility to overseeing marketing, design, and e-commerce, he brings a track record of turning vision into reality.









### Mercedes Infante

CHIEF OPERATING OFFICER

With 13 years at Cartel and over a decade in location management and leadership, Mercedes has helped grow Cartel to 16 locations across state lines. After six years as Director of Retail, she now leads our retail, bakery, and production teams as COO. Mercedes is passionate about fostering strong community connections through coffee and developing future leaders.



### Kelly Ehley

DIRECTOR OF SALES & EVENTS

Kelly has spent the past nine years leading initiatives across production, supply chain, marketing, and business development. With a degree in journalism and a career rooted in coffee, she's been instrumental in securing key partnerships with Whole Foods and major restaurant groups like Upward Projects.



### Kristina Grappo

DIRECTOR OF MARKETING

Kristina Grappo brings almost two decades of experience in marketing, branding, and development for restaurant and hospitality businesses across Los Angeles, Austin, Wichita, and Phoenix. She was the founder, owner, and operator of Viola's Pantry, an Italian market and fresh pasta concept for over 5 years. Kristina holds a bachelor's degree from Villanova University and a culinary degree from Auguste Escoffier School of Culinary Arts. She brings a unique blend of strategic marketing expertise, entrepreneurial experience, and a passion for food and hospitality to Cartel Roasting Co., helping strengthen the brand and build meaningful connections with new customers.



### Jamie Miller

PARTNER & STRATEGIC ADVISOR

Jamie is an experienced developer, business strategist, and licensed architect with expertise in acquisitions, development, and commercial leasing. Jamie has also founded and developed multiple successful concepts, including Union Cowork, a multi-unit, shared office business developed throughout Southern California.





THE PITCH

## We Facilitate Community Through Coffee

Cartel Roasting Co. was founded in Tempe, AZ by Amy and Jason Silberschlag. Everything we do, from sourcing to roasting to brewing, is done with a value for transparency, community, and quality. At Cartel Roasting Co, our goal is simple: we want to facilitate community through coffee.







OUR PRINCIPLES

## What's behind every cup



**Experience**

We curate meaningful coffee experiences that pair hospitality with craft to give our guests a reason to come back again and again.



**Coffee quality**

We buy exceptional coffees from farmers around the world, then carefully roast and brew each coffee to highlight their unique terroir.

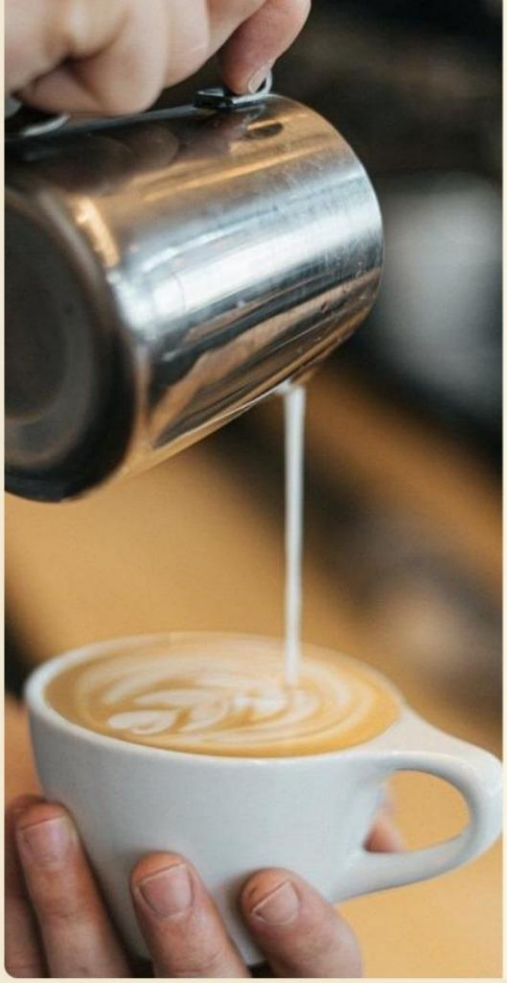


**Community**

Our cafes are where people meet, work, study, have their first date or even start a business.

PRESS

## What are they saying about us?



WHAT ARE THEY SAYING ABOUT US?

"Tempe's favorite coffeehouse has a longstanding reputation as one of the best places for a cup of coffee in the Valley."

THRILLIST

"For coffee lovers, there's Cartel, a longtime Phoenix favorite for its specialty coffees made with roasted beans from around the world."

EATER

"Cartel was a natural partner for us. They've built a team (and community) of obsessive coffee enthusiasts that you can trust with all the fine details in bringing that little coffee seed to life."

MISTOBOX, CARTEL WHOLESALE PARTNER

AS FEATURED IN

Los Angeles Magazine

DAILY COFFEE NEWS BY roast MAGAZINE

*Testimonials may not be representative of the experience of others and is not a guarantee of future performance or success

THE PROBLEM & OUR SOLUTION

## Specialty Coffee for Everyone

Specialty coffee can feel intimidating. We want it to feel approachable, whether you're new to coffee, or make your single origin pour-over every morning. We've intentionally crafted our offerings to meet you wherever you are on your coffee journey.

SPECIALTY COFFEE FOR EVERYONE

## From the farm to your cup



### 1 Source

We select specialty-grade green coffee with reputable importing partners.



### 2 Roast

We roast to unlock each coffee's character, then cup for consistency.



### 3 Brew

We then meticulously craft your coffee to showcase its best representation.



### 4 Bake

Lastly, we create thoughtfully sourced food items made in-house for our cafes.

OUR NEW BRAND

CARTEL

**A fresh look, same standards**

We recently refreshed the Cartel brand, drawing on southwest inspiration and elements of our early designs.













OUR LOCATIONS

## Our Location Growth

16 locations across Arizona and California

In 2008, we opened our first cafe in Tempe and since then have steadily grown to 16 locations across Arizona and California. We've operated in Palm Springs since 2018 and have recently targeted Southern California as our next market. In 2026, we've expanded our grocery offerings with our award-winning Cold Brew in Whole Foods, our whole bean coffee in Pavilions, we've opened our Los Angeles flagship location, and acquired Moto Deli in Encinitas. Moto Deli, a quick-serve restaurant, not only helps us grow in Southern California but will improve our food program.




WHERE TO FIND US

## 16 locations across Arizona and California

**11 Phoenix metro, AZ**

Ash Ave Café and Roastery, Tempe · 1st Street, Phoenix · 5th Ave, Scottsdale · Sky Harbor Airport · Tatum and Shea · Rise Uptown · Coronado · Desert Ridge · Durham Hall, ASU Tempe · Camby Hotel · ASU Campus Store

**2 Tucson, AZ**

Campbell Ave · Broadway

**1 Palm Springs, CA**




Arrive Palm Springs

1 **West Hollywood, CA**

Flagship café

1 **Encinitas, CA**

Moto Deli (separate concept, acquired 2026)

Pins show approximate city locations. Map base: U.S. Census Bureau state boundaries (public domain).

OUR CAFÉS

## Neighborhood cafés across Arizona and California



Ash Ave, Tempe



1st Street, Phoenix




5th Ave, Scottsdale



Sky Harbor Airport



Tatum and Shea, Paradise Valley



Rise Uptown, Phoenix



Coronado, Phoenix




Desert Ridge, Phoenix




Durham Hall, ASU




Camby Hotel, Phoenix




ASU Campus Store, Tempe




Campbell Ave, Tucson




Broadway, Tucson



Arrive Palm Springs




West Hollywood, CA




Moto Deli, Encinitas

THE MARKET & OUR TRACTION

## Cartel generated $9.06M in revenue in 2025, up from $8.29M in 2024.*

Specialty coffee continues to grow, with the global specialty coffee market alone expected to grow from $101B in 2024 to $183B by 2030. We serve thousands of guests every day and maintain key retail and wholesale relationships with Whole Foods, Sprouts, Upward Projects, UNFI, Arrive Hotels, and

HMS at Sky Harbor airport. Our social following reached 33.9K as of October 21, 2026.

Our Sonoran Sun Standard cold brew won a silver medal in the ready-to-drink category at the 2026 Global Coffee Awards, adding to bronze medals from the 2025 Global Coffee Awards and the 2023 Golden Bean Awards.

*Historical results are not indicative of future performance or success.

OUR TRACTION

## The numbers behind the cup

**$9.06M**
2025 revenue

**16**
locations

**9.3M**
lifetime café transactions*

**30.9K+**
loyalty program customers*

**33.9K**
social followers*

Revenue is self reported. *As reported by the company. Social follower count as of Oct 21, 2026. Loyalty count as of Oct 22, 2026. Historical results are not indicative of future performance or success.

OUR ECONOMIC ENGINE

## Revenue comes from three places



1
### Cafés
16 locations across Arizona and California.



2
### E-Commerce
Whole bean, brew gear, and merch.




3
### Wholesale
Grocery and wholesale accounts, including Whole Foods, Sprouts, and Sam's Club.

Image is for illustrative purposes only. Forward-looking statements, projections, and depictions of products, services, or outcomes shown in this media are subject to risks and uncertainties. Past performance does not guarantee future results.

PARTNERS

## Our Carefully Chosen Retail & Wholesale Relationships

WHERE YOU WILL FIND US

# Partners who carry Cartel

- Whole Foods Market
- Sprouts Farmers Market
- AJ's Fine Foods
- UNFI
- HMS Host
- Upward Projects
- MistoBox
- Arrive Hotels
- Sky Harbor International Airport
- Arizona State University

INNOVATION & SUSTAINABILITY

## NuMilk

Cartel cafés serve NuMilk, made fresh in-house, which cuts packaging waste and gives customers alternative milks without gums or fillers.

By choosing to partner with NuMilk in 2022, we estimate we've diverted 175,000 cartons from landfills and reduced CO2 emissions by roughly 195 tons.

*Estimates based on internal data and NuMilk assumptions; actual impact may vary.

INNOVATION AND SUSTAINABILITY

### NuMilk, made fresh in-house

**~175,000**

**cartons diverted from landfills since 2022***

**~195 tons**

**of CO2 emissions reduced since 2022***

*Estimates based on internal data and NuMilk assumptions; actual impact may vary.

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GIVE BACK

## Give Back Blend

Through our Give Back program we highlight organizations doing meaningful work in our communities and donate a portion of the proceeds. This is a tangible way we connect our guests to organizations and causes that contribute positively to their community.

GIVE BACK BLEND

## We showcase local organizations to our community







WHY INVEST

## Why Should You Invest In Cartel Roasting?

Cartel Roasting Co has a loyal customer base, scalability, and a socially conscious mission. Join us as we grow a purpose-driven coffee brand that puts people, quality, and impact first.

Funds raised for this campaign will support our goal of 30 locations by 2030.

Forward-looking statements are subject to risks and uncertainties; actual results may differ materially.

WHY INVEST

## 30 by 2030

**Funds raised for this campaign will support our goal of 30 locations by 2030.**



Image is for illustrative purposes only. Forward-looking statements, projections, and depictions of products, services, or outcomes shown in this media are subject to risks and uncertainties. Past performance does not guarantee future results.

## Shop Local.
## Drink Local.
## Invest Local.

Image is for illustrative purposes only. Forward-looking statements, projections, and depictions of products, services, or outcomes shown in this media are subject to risks and uncertainties. Past performance does not guarantee future results.





GET EQUITY

TERMS

| | |
|---|---|
| COMPANY | Cartel Coffee Lab, Inc. |
| CORPORATE ADDRESS | 1605 W University Dr Ste 101, Tempe, AZ 85281 |
| OFFERING MINIMUM | $19,996.65 |
| OFFERING MAXIMUM | $4,314,997.35 |
| MINIMUM INVESTMENT AMOUNT (PER INVESTOR) | $299.70 |
| OFFERING TYPE | Equity |
| SECURITY NAME | Class B Common Stock |
| MINIMUM NUMBER OF SHARES OFFERED | 3,603 |
| MAXIMUM NUMBER OF SHARES OFFERED | 777,477 |
| PRICE PER SHARE | $5.55 |
| PRE-MONEY VALUATION | $40,048,788.90 |

Maximum Number of Shares Offered subject to adjustment for bonus shares.

## Voting Rights of Securities Sold in this Offering

Voting Proxy. Each Subscriber shall appoint the Chief Executive Officer of the Company (the "CEO"), or his or her successor, as the Subscriber's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to, consistent with this instrument and on behalf of the Subscriber, (i) vote all Securities, (ii) give and receive notices and communications, (iii) execute any instrument or document that the CEO determines is necessary or appropriate in the exercise of its authority under this instrument, and (iv) take all actions necessary or appropriate in the judgment of the CEO for the accomplishment of the foregoing. The proxy and power granted by the Subscriber pursuant to this Section are coupled with an interest. Such proxy and power will be irrevocable. The proxy and power, so long as the Subscriber is an individual, will survive the death, incompetency and disability of the Subscriber and, so long as the Subscriber is an entity, will survive the merger or reorganization of the Subscriber or any other entity holding the Securities. However, the Proxy will terminate upon the closing of a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933 covering the offer and sale of Common Stock or the effectiveness of a registration statement under the Securities Exchange Act of 1934 covering the Common Stock.

### Irregular Use of Proceeds

Example - The Company might incur Irregular Use of Proceeds that may include but are not limited to the following over $10,000: Vendor payments and salary made to one's self, a friend or relative; Any expense labeled "Administration Expenses" that is not strictly for administrative purposes; Any expense labeled "Travel and Entertainment"; Any expense that is for the purposes of inter-company debt or back payments.

REWARDS

## Investment Incentives & Bonuses*

**10% Bonus Shares**

**RESERVATIONS BONUS**

Reservation Holders in the Testing the Waters Page will receive 10% bonus shares.

**20% Bonus Shares**

**LOYALTY BONUS**

Previous investors and/or Cartel Roasting employees, you are eligible for additional 20% bonus shares.

### TIME-BASED PERKS

**$1,000**

**EARLY BIRD**

Invest $1,000+ within the first 2 weeks | 10% bonus shares.

### MID-CAMPAIGN PERKS (FLASH PERKS)

**$5,000**

**FLASH PERK 1**

Invest $5,000+ between day 45 - 53 and receive 10% bonus shares.

**$5,000**

**FLASH PERK 2**

Invest $5,000+ between day 64 - 73 and receive 10% bonus shares.

### AMOUNT-BASED PERKS

**$600**

**PRICKLY PEAR**

Invest $600+ | Receive a $75 Online Gift Card (redeemable at cartelroasting.co).

**$1,200**

**OCOTILLO**

Invest $1,200+ | Receive a $150 Online Gift Card (redeemable at cartelroasting.co) + 5% bonus shares.

**$5,000**

**JOSHUA TREE**

Invest $5,000+ | Receive a $225 Online Gift Card (redeemable at cartelroasting.co) + 7% bonus shares.

**$10,000**

**CREOSOTE**

Invest $10,000+ | Receive a $300 Online Gift Card (redeemable at cartelroasting.co) + 10% bonus shares.

**$25,000**

**PALO VERDE**

Invest $25,000+ | Join us for a private tour for four & coffee cupping at our production facility with the Founders and Executive Team, plus receive $300 Online Gift Card (redeemable at cartelroasting.co) + 15% bonus shares.

**$50,000**

**SAGUARO**

Invest $50,000+ | Join us for a private tour for four, roast your own coffee with one of our roasters, attend a coffee cupping with our CEO, COO and Production Team to learn how we evaluate coffees, and enjoy breakfast with the Cartel Founders and Executive Team plus receive a $300 Online Gift Card (redeemable at cartelroasting.co) + 20% bonus shares.

### THE 10% STARTENGINE VENTURE CLUB BONUS

Cartel Coffee Lab, Inc., doing business as Cartel Roasting Co., will offer 10% additional bonus shares

Cartel Coffee Lab, Inc., doing business as Cartel Roasting Co., will offer 10% additional bonus shares for all investments that are committed by investors that are eligible for the StartEngine Venture Club.

This means eligible StartEngine shareholders will receive a 10% bonus for any shares they purchase in this offering. For example, if you buy 100 shares of Class B Common Stock at $5.55 / share, you will receive 110 shares of Class B Common Stock, meaning you'll own 110 shares for $555. Fractional shares will not be distributed and share bonuses will be determined by rounding down to the nearest whole share.

This 10% Bonus is only valid during the investor's eligibility period. Investors eligible for this bonus will also have priority if they are on a waitlist to invest and the company surpasses its maximum funding goal. They will have the first opportunity to invest should room in the offering become available if prior investments are canceled or fail.

Investors will receive the highest single bonus they are eligible for among the bonuses based on the amount invested and the time of offering elapsed (if any). Eligible investors will also receive the Venture Club Bonus, the Reservation Bonus and the Loyalty Bonus in addition to the aforementioned bonus.

*In order to receive perks from an investment, one must submit a single investment in the same offering that meets the minimum perk requirement. Bonus shares from perks will not be granted if an investor submits multiple investments that, when combined, meet the perk requirement. All perks occur when the offering is completed.

Crowdfunding investments made through a self-directed IRA cannot receive non-bonus share perks due to tax laws. The Internal Revenue Service (IRS) prohibits self-dealing transactions in which the investor receives an immediate, personal financial gain on investments owned by their retirement account. As a result, an investor must refuse those non-bonus share perks because they would be receiving a benefit from their IRA account.

Multiple investments in an offering cannot be combined to qualify for a larger campaign reward.

GET EQUITY

FAQS

### What is Cartel Roasting?

16 locations across Arizona and California. Wholesale accounts, including Whole Foods, Sprouts, and MLB teams. A 12,000 sq ft. production facility roasting award-winning coffee, brewing and canning cold brew, and baking. Cartel Roasting isn't just cafes, it's a vertically integrated specialty roaster with $9.06M in 2025.*.

### How much can I invest?

With Regulation A+, a non-accredited investor can only invest a maximum of 10% of their annual income or 10% of their net worth per year, whichever is greater. There are no restrictions for accredited investors.

With Regulation Crowdfunding, non-accredited investors with an annual income or net worth less than $124,000 are limited to invest a maximum of 5% of the greater of those two amounts. For those with an annual income and net worth greater than $124,000, they are limited to investing 10% of the greater of the two amounts.

### How to open a Self-Directed IRA on StartEngine?

StartEngine makes it easy to invest using your retirement funds. You can open a self-directed IRA account through StartEngine. To get started, simply visit our IRA page for more information and step-by-step instructions.

Already have a self-directed IRA with another provider? You can still invest on StartEngine, but please note that the process will be manual and may take longer to complete.

### When will I receive my shares?

At the close of an offering, all investors whose funds have “cleared” by this time will be included in the disbursement. At this time, each investor will receive an email from StartEngine with their Countersigned Subscription Agreement, which will serve as their proof of purchase moving forward.

Please keep in mind that a company can conduct a series of “closes” or withdrawals of funds throughout the duration of the campaign. If you are included in that withdrawal period, you will be emailed your countersigned subscription agreement and proof of purchase immediately following that withdrawal.

### What will the return on my investment be?

StartEngine assists companies in raising capital, and once the offering is closed, we are no longer involved with whether the company chooses to list shares on a secondary market or what occurs

thereafter. Therefore, StartEngine has no control or insight into your investment after the close of the live offering. In addition, we are not permitted to provide financial advice. You may want to contact a financial professional to discuss possible investment outcomes.

### Can I cancel my investment?

For Regulation Crowdfunding, investors are able to cancel their investment at any point throughout the campaign up until 48 hours before the closing of the offering. Note: If the company does a rolling close, they will post an update to their current investors, giving them the opportunity to cancel during this timeframe. If you do not cancel within this 5-day timeframe, your funds will be invested in the company, and you will no longer be able to cancel the investment. If your funds show as 'Invested' on your account dashboard, your investment can no longer be canceled.

For Regulation A+, StartEngine allows for a four-hour cancellation period. Once the four-hour window has passed, it is up to each company to set their own cancellation policy. You may find the company's cancellation policy in the company's offering circular.

Once your investment is canceled, there is a 10-day clearing period (from the date your investment was submitted). After your funds have cleared the bank, you will receive your refund within 10 business days.

Refunds that are made through ACH payments can take up to 10 business days to clear. Unfortunately, we are at the mercy of the bank, but we will do everything we can to get you your refund as soon as possible. However, every investment needs to go through the clearing process in order to be sent back to the account associated with the investment.

### What is the difference between Regulation Crowdfunding and Regulation A+?

Both Title III (Regulation Crowdfunding) and Title IV (Reg A+) help entrepreneurs crowdfund capital investments from unaccredited and accredited investors. The differences between these regulations are related to the investor limitations, the differing amounts of money companies are permitted to raise, and differing disclosure and filing requirements. To learn more about Regulation Crowdfunding, learn about Regulation Crowdfunding, and for Regulation A+, learn about Regulation A+.

GET EQUITY

CARTEL
ROASTING CO.

This Reg CF offering is made available through StartEngine Primary, LLC, a member of FINRA/SIPC. This investment is speculative, illiquid, and involves a high degree of risk, including the possible loss of your entire investment.

IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE ISSUER AND THE TERMS OF THE OFFERING, INCLUDING THE MERITS AND RISKS INVOLVED. INVESTMENTS ON STARTENGINE ARE SPECULATIVE, ILLIQUID, AND INVOLVE A HIGH DEGREE OF RISK, INCLUDING THE POSSIBLE LOSS OF YOUR ENTIRE INVESTMENT.

*Past performance is not indicative of future results

EXHIBIT D TO FORM C

VIDEO TRANSCRIPT

Amy Silberschlag: Hi I'm Amy Silberschlag and this is Cartel Roasting Co.

[Cut to b-roll of stores, roasting, canning, baking, stocking warehouse etc]

Amy Silberschlag: We started Cartel to facilitate genuine community through amazing coffee. In 2008, we opened our Ash Avenue Cafe & Roastery. We've now grown to 15 locations across Arizona and California. And we have a large scale production facility, which has allowed us to support growth in retail, as well as our awesome wholesale customers like Whole Foods, Sprouts, Sam's Club, and Upward Projects.

Cartel Roasting Co was started to facilitate community. Since 2008, that community has shown up. You've supported us by shopping local, drinking local and now, we're inviting you to invest local.

Jesse Pangburn: After completing our initial crowdfunding equity raise on StartEngine, we opened our new West Hollywood location, our second ASU location, and unveiled an updated brand. This was made possible by our 684 new community investors. Not only did they help us fund these projects but they also helped us reconnect with why people love Cartel.

Mercedes Infante: First thing you'll notice when you walk in a cartel roasting co is we're genuinely excited you're here. Whether you're new to coffee or you're far along in your third wave journey, we try to make specialty coffee approachable. Our menu is carefully selected with intentional ingredients and local vendor partnerships to really showcase something for everyone. It's more than just a coffee shop. We're really trying to create a space where everybody can come and just be themselves. We treat every guest like a regular because to us, you already are.

Kelly Ehley: At Cartel, we're committed to buying specialty grade coffee that is traceable and sustainably produced. We work with importers that share our same values. We roast our coffee on the lighter side because our goal is to bring out the true flavor profile of that coffee for you to experience. This dedication has led to our coffee being recognized through the Global Coffee Awards.

[Visual of recent awards]

We decided to work with NuMilk because of their shared commitment to sustainability. Since we've partnered with them, we've been able to divert 175,000 single-use cartons from the landfill, and we've reduced our carbon emissions by 195 tons.

[Disclaimer on screen: Based on internal estimates using NuMilk usage data]

We created the Give Back Blend to give back to our local communities in a meaningful way. Each quarter, we partner with a local nonprofit, donating 10% of Give Back sales to support their work in our community.

Kristina Grappo: We have been using this time between StartEngine campaigns to build our infrastructure for growth. We have recently gone through a brand redesign that we are excited to have launched by the end of this year. With newly redesigned coffee bags, cold brew cans, cups, and merchandise rolling out, we are thrilled to have brand imagery that represents more of who we are today, with a nod to our heritage brand. This redesign is coupled with a fresh new website built on Shopify, which will provide the infrastructure to support our growth.

Jesse Pangburn:

So why are we doing a second raise? Well, this idea of community ownership has become, not only a way to scale our business, but how we want to scale our business. This new connection with our community investors has become something we're deeply passionate about fostering and offering to more people. For a values-driven business like ours, we're able to grow not only our revenue but share in our community impact. Our goal is 30 by 30. 30 locations by 2030.

[Disclaimer on screen: This statement is based on management's opinion and is a forward-looking statement. Actual results may differ materially.]

Amy Silberschlag

Cartel Roasting Co was started to facilitate community. Since 2008, that community has shown up. You've supported us by shopping local, drinking local and now, we're inviting you to invest local.

Jesse Pangburn

We know we wouldn't be here as a business if it wasn't for you, our community members. So we wanna take a moment and say thank you for getting us here. We hope that you'll come with us on the next phase of our journey to help others realize life's too short for [Bleep] coffee.

STARTENGINE SUBSCRIPTION PROCESS (Exhibit E)

Platform Compensation

- As compensation for the services provided by StartEngine Capital or StartEngine Primary, as identified in the Offering Statement filed on the SEC EDGAR filing system (the "Intermediary"), the issuer is required to pay to Intermediary a fee consisting of a 5.5-14% (five and one-half to fourteen) commission based on the dollar amount of securities sold in the Offering and paid upon disbursement of funds from escrow at the time of closing. The commission is paid in cash and in securities of the Issuer identical to those offered to the public in the Offering at the sole discretion of the Intermediary. Additionally, the issuer must reimburse certain expenses related to the Offering. The securities issued to the Intermediary, if any, will be of the same class and have the same terms, conditions, and rights as the securities being offered and sold by the issuer on StartEngine's platform.

- As compensation for the services provided by StartEngine, investors are also required to pay the Intermediary a fee consisting of a 0-3.5% (zero to three and a half percent) service fee based on the dollar amount of securities purchased in each investment.

Information Regarding Length of Time of Offering

- Investment Cancellations: Investors will have up to 48 hours prior to the end of the offering period to change their minds and cancel their investment commitments for any reason. Once within 48 hours of ending, investors will not be able to cancel for any reason, even if they make a commitment during this period.

- Material Changes: Material changes to an offering include but are not limited to: A change in minimum offering amount, change in security price, change in management, material change to financial information, etc. If an issuer makes a material change to the offering terms or other information disclosed, including a change to the offering deadline, investors will be given five business days to reconfirm their investment commitment. If investors do not reconfirm, their investment will be canceled and the funds will be returned.

Hitting The Target Goal Early & Oversubscriptions

- The Intermediary will notify investors by email when the target offering amount has hit 25%, 50%, and 100% of the funding goal. If the issuer hits its goal early, the issuer can create a new target deadline at least 5 business days out. Investors will be notified of the new target deadline via email and will then have the opportunity to cancel up to 48 hours before the new deadline.

- Oversubscriptions: We require all issuers to accept oversubscriptions. This may not be possible if: 1) it vaults an issuer into a different category for financial statement requirements (and they do not have the requisite financial statements); or 2) they reach $5M in investments. In the event of an oversubscription, shares will be allocated at the discretion of the issuer, with priority given to StartEngine Venture Club members.

- If the sum of the investment commitments does not equal or exceed the target offering amount at the offering deadline, no securities will be sold in the offering, investment commitments will be canceled and committed funds will be returned.

- If a StartEngine issuer reaches its target offering amount prior to the deadline, it may conduct an initial closing of the offering early if they provide notice of the new offering deadline at least five business days prior to the new offering deadline (absent a material change that would require an extension of the offering and reconfirmation of the investment commitment). StartEngine will notify investors when the issuer meets its target offering amount. Thereafter, the issuer may conduct additional closings until the offering deadline.

Minimum and Maximum Investment Amounts

- In order to invest, commit to an investment or communicate on our platform, users must open an account on StartEngine and provide certain personal and non-personal information including information related to income, net worth, and other investments.

- Investor Limitations: There are no investment limits for investing in crowdfunding offerings for accredited investors. Non-accredited investors are limited in how much they can invest in all crowdfunding offerings during any 12-month period. The limitation on how much they can invest depends on their net worth (excluding the value of their primary residence) and annual income. If either their annual income or net worth is less than $124,000, then during any 12-month period, they can invest either $2,500 or 5% of their annual income or net worth, whichever is greater. If both their annual income and net worth are equal to or more than $124,000, then during any 12-month period, they can invest up to 10% of annual income or net worth, whichever is greater, but their investments cannot exceed $124,000.

EXHIBIT F TO FORM C

ADDITIONAL CORPORATE DOCUMENTS

[See attached]

**FIRST AMENDMENT**
**TO**
**CERTIFICATE OF INCORPORATION**
**OF**
**CARTEL COFFEE LAB, INC.**

Cartel Coffee Lab, Inc., a corporation organized and existing under and by virtue of the General Corporation Law of the state of Delaware (the "Corporation"), does hereby certify:

FIRST: That the Board of Directors of the Corporation, by the unanimous written consent of its members, adopted a resolution proposing and declaring advisable a proposed amendment to the Certificate of Incorporation of the Corporation (the "Certificate of Incorporation"), amending Article IV, Section BB, related to the Designation of Common Stock in Classes or Series, in its entirety to read as follows:

> "BB. Designation of Common Stock in Classes or Series. A total of (i) 8,500,000 shares of the Corporation's Common Stock is hereby designated as "Class A Common Stock" and (ii) 1,500,000 shares of the Corporation's Common Stock is hereby designated as "Class B Common Stock." As used in this Certificate of Incorporation, the term "Common Stock," used without reference to Class A Common Stock or Class B Common Stock means collectively the shares of Common Stock, share for share alike, and without distinctions to class or series, except as otherwise expressly provided for in this Article IV of this Certificate of Incorporation or as the context otherwise requires. The rights, preferences, powers, privileges, and the restrictions, qualifications and limitations of the Class B Common Stock are identical with those of the Class A Common Stock, and for all purposes under this Certificate of Incorporation, the Class A Common Stock and Class B Common Stock shall together constitute a single class of shares of the capital stock of the Corporation. The number of authorized shares of Class B Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law."

SECOND: That in lieu of a meeting and vote of the Stockholders of the Corporation entitled to vote hereon, the Stockholders entitled to vote hereon have consented to and approved

said amendment in writing, in accordance with the provisions of Section 228 of the General Corporation Law of the state of Delaware.

THIRD: That the aforesaid amendment was duly adopted in accordance with the applicable provisions of Section 242 of the General Corporation Law of the state of Delaware.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, Cartel Coffee Lab, Inc. has caused this First Amendment to Certificate of Incorporation to be signed by Jesse Pangburn, its Chief Executive Officer, as of _____, 2026.

CARTEL COFFEE LAB, INC.

By:_____
Jesse Pangburn, Chief Executive Officer

# Delaware

The First State



***I, CHARUNI PATIBANDA-SANCHEZ, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF CONVERSION OF AN ARIZONA LIMITED LIABILITY COMPANY UNDER THE NAME OF "CARTEL COFFEE LAB, LLC" TO A DELAWARE CORPORATION, CHANGING ITS NAME FROM "CARTEL COFFEE LAB, LLC" TO "CARTEL COFFEE LAB, INC.",FILED IN THIS OFFICE ON THE SEVENTEENTH DAY OF JULY, A.D. 2025, AT 5:40 O`CLOCK P.M.***

C. P. Sanchez

Charuni Patibanda-Sanchez, Secretary of State

10264672 8100F
SR# 20253398144

Authentication: 204232991
Date: 07-18-25

You may verify this certificate online at corp.delaware.gov/authver.shtml

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State of Delaware
Secretary of State
Division of Corporations
Delivered 05:40 PM 07/17/2025
FILED 05:40 PM 07/17/2025
SR 20253398144 - File Number 10264672

# CERTIFICATE OF CONVERSION FROM A LIMITED LIABILITY COMPANY TO A CORPORATION PURSUANT TO SECTION 265 OF THE DELAWARE GENERAL CORPORATION LAW

1. The jurisdiction where the Limited Liability Company was first formed is Arizona.

2. The date the Limited Liability Company was first formed is August 28, 2007.

3. The jurisdiction immediately prior to filing this Certificate is Arizona.

4. The name of the Limited Liability Company immediately prior to filing this Certificate is Cartel Coffee Lab, LLC.

5. The name of the Corporation as set forth in the Certificate of Incorporation is Cartel Coffee Lab, Inc.

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Docusign Envelope ID: 3AAC484B-DF96-428C-8875-A8F406DC080A

IN WITNESS WHEREOF, the undersigned being duly authorized to sign on behalf of the converting Limited Liability Company has executed this Certificate on July 16, 2025.

CARTEL COFFEE LAB, LLC

Signed by:
By: Jason R. Silberschlag
010F89E87F964CC...

Jason R. Silberschlag, Manager

# Delaware

The First State



***I, CHARUNI PATIBANDA-SANCHEZ, SECRETARY OF STATE OF THE STATE OF DELAWARE DO HEREBY CERTIFY THAT THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF INCORPORATION OF "CARTEL COFFEE LAB, INC." FILED IN THIS OFFICE ON THE SEVENTEENTH DAY OF JULY, A.D. 2025, AT 5:40 O`CLOCK P.M.***

C. B. Sanchez

**Charuni Patibanda-Sanchez, Secretary of State**

10264672 8100F
SR# 20253398144

Authentication: 204232991
Date: 07-18-25

You may verify this certificate online at corp.delaware.gov/authver.shtml

Docusign Envelope ID: 3AAC484B-DF96-428C-8875-A8F406DC080A

# CERTIFICATE OF INCORPORATION
# OF
# CARTEL COFFEE LAB, INC.

## Article I
## Name

The name of the Corporation is Cartel Coffee Lab, Inc. (the "Corporation").

## Article II
## Registered Agent and Office

The name of the Corporation's registered agent in the state of Delaware is Capitol Services, Inc. The address of the registered agent of the Corporation in the state of Delaware is 108 Lakeland Avenue, City of Dover, Delaware 19901, County of Kent.

## Article III
## Purposes

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law of the state of Delaware, as the same exists or may hereafter be amended (the "GCL").

## Article IV
## Capital Stock

The Corporation shall be authorized to issue a total of is 20,000,000 shares, consisting of (i) 10,000,000 shares of common stock, $0.0001 par value per share (the "Common Stock"), and (ii) 10,000,000 shares of preferred stock, $0.0001 par value per share (the "Preferred Stock"). Article IV hereof contains a description of the Common Stock and the Preferred Stock and a statement of the designations and the powers, privileges, and rights, and the qualifications, limitations, or restrictions thereof.

## Common Stock

AA. General. The voting, dividend, and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers, and preferences of the holders of the Preferred Stock.

BB. Designation of Common Stock in Classes or Series. A total of (i) 9,645,000 shares of the Corporation's Common Stock is hereby designated as "Class A Common Stock" and (ii) 355,000 shares of the Corporation's Common Stock is hereby designated as "Class B Common Stock." As used in this Certificate of Incorporation, the term "Common Stock," used without reference to Class A Common Stock or Class B Common Stock means collectively the shares of Common Stock, share for share alike, and without distinctions to class or series, except as otherwise expressly provided for in this Article IV of this Certificate of Incorporation or as the context otherwise requires. The rights, preferences, powers, privileges, and the restrictions,

State of Delaware
Secretary of State
Division of Corporations
Delivered 05:40 PM 07/17/2025
FILED 05:40 PM 07/17/2025
SR 20253398144 - File Number 10264672

qualifications and limitations of the Class B Common Stock are identical with those of the Class A Common Stock, and for all purposes under this Certificate of Incorporation, the Class A Common Stock and Class B Common Stock shall together constitute a single class of shares of the capital stock of the Corporation. The number of authorized shares of Class B Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

CC. Dividends. Subject to provisions of law and Article IV of this Certificate of Incorporation, the holders of Common Stock shall be entitled to receive dividends out of funds legally available therefor at such times and in such amounts as the Board of Directors of the Corporation ("Board of Directors") may determine in its sole discretion. No cash dividends may be paid or declared or set aside for Class A Common Stock unless an equal amount is paid or declared or set aside for the Class B Common Stock, and no cash dividends or any other distribution may be paid or declared or set aside for Class B Common Stock unless an equal amount is paid or declared or set aside for the Class A Common Stock. In the case of dividends or other distributions payable in Common Stock of the Corporation or any of its subsidiaries, such distributions or dividends shall be in the same proportion with respect to each class of Common Stock, but only shares of Class A Common Stock shall be distributed with respect to Class A Common Stock and only shares of Class B Common Stock shall be distributed with respect to Class B Common Stock. In the case of any combination or reclassification of Class A Common Stock, the shares of Class B Common Stock shall also be combined or reclassified so that the relationship between the number of shares of Class B Common Stock and Class A Common Stock outstanding immediately following such combination or reclassification shall be the same as the relationship between the Class B Common Stock and the Class A Common Stock immediately prior to such combination or reclassification.

Preferred Stock.

A. Designation. The shares of Preferred Stock may be issued from time to time in one or more series. The Board of Directors is hereby authorized, by filing a certificate pursuant to the applicable law of the state of Delaware, to establish from time to time the number of shares to be included in each series, and to fix the designation, powers, preferences, and rights of the shares of each such series and the qualifications, limitations, or restrictions thereof, including, but not limited to, the fixing or alteration of the dividend rights, dividend rate, conversion rights, voting rights, rights and terms of redemption (including sinking fund provisions), the redemption price or prices, and the liquidation preferences of any wholly unissued series of shares of Preferred Stock, or any of them; and to increase or decrease the number of shares of any series subsequent to the issue of the shares of that series, but not below the number of shares of that series then outstanding. In case the number of shares of any series shall be so decreased, the shares constituting such decrease shall resume the status they had prior to the adoption of the resolution originally fixing the number of shares of that series. For purposes of this Certificate of Incorporation, the term "Liquidation Event" shall mean: (i) any acquisition of the Corporation by means of merger, exchange, transfer, or other form of corporate reorganization or consolidation in one or a series of related transactions with or into

another entity in which outstanding shares of the Corporation are exchanged for securities or other consideration issued, or caused to be issued, by the other entity corporation or its subsidiary and, as a result of which transaction, the stockholders of the Corporation own 50% or less of the voting power of the surviving entity (other than a mere re-incorporation transaction); (ii) a sale, transfer, lease, or other disposition (other than a pledge or grant of a security interest to a bona fide lender) of all or substantially all of the assets of the Corporation (other than to or by a wholly owned subsidiary or parent of the Corporation); or (iii) a liquidation, dissolution, or winding up of the Corporation.

## Article V
## Incorporator

The name and mailing address of the incorporator is Jason R. Silberschlag, 228 W. University Drive, #208, Tempe, Arizona 85821.

## Article VI
## Directors

The number of directors which shall comprise the initial Board of Directors of the Corporation shall be two (2). The size of the Board of Directors may be increased or decreased in the manner provided in the Bylaws of the Corporation. All corporate powers of the Corporation shall be exercised by or under the direction of the Board of Directors except as otherwise provided herein or by law. Unless and to the extent that the Bylaws of the Corporation shall so require, the election of directors of the Corporation need not be by written ballot.

## Article VII
## Limitation of Liability; Indemnification

1. Limitation of Liability. A director of the Corporation shall, to the fullest extent permitted by the GCL as it now exists or as it may hereafter be amended, not be liable to the Corporation or its stockholders for monetary damages for any breach of fiduciary duty as a director. Neither any amendment nor repeal of this Article, nor the adoption of any provision of this Certificate of Incorporation inconsistent with this Article, shall eliminate or reduce the effect of this Article in respect of any matter occurring, or any cause of action, suit, or claim that, but for this Article, would accrue or arise, prior to such amendment, repeal, or adoption of an inconsistent provision.

2. Indemnification. The Corporation shall indemnify and may advance expenses to its officers and directors to the fullest extent permitted by the GCL as it now exists or as it may hereafter be amended.

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Article VIII
Bylaws

Subject to the power of the stockholders of the Corporation to adopt, amend, or repeal any Bylaw made by the Board of Directors, the Board of Directors is expressly authorized and empowered to adopt, amend, or repeal the Bylaws of the Corporation.

Article IX
Amendment

The Corporation reserves the right at any time, and from time to time, to amend, alter, change, or repeal any provision contained in this Certificate of Incorporation, and other provisions authorized by the laws of the state of Delaware at the time in force may be added or inserted, in the manner now or hereafter prescribed by law; and all rights, preferences, and privileges of whatsoever nature conferred upon stockholders, directors, or any other persons whomsoever by and pursuant to this Certificate of Incorporation in its present form or as hereafter amended are granted subject to the rights reserved in this Article.

**IN WITNESS WHEREOF**, I, the undersigned, being the Incorporator hereinabove stated, set my hand as of July 16, 2025.

Signed by:
Jason R. Silberschlag
010F89E67F964CC...

Jason R. Silberschlag, Incorporator

***Subscription and Joinder Agreement***

THE SECURITIES ARE BEING OFFERED PURSUANT TO SECTION 4(A)(6) OF THE SECURITIES ACT OF 1933 (THE "ACT") AND HAVE NOT BEEN REGISTERED UNDER THE ACT OR THE SECURITIES LAWS OF ANY STATE OR ANY OTHER JURISDICTION. NO FEDERAL OR STATE SECURITIES ADMINISTRATOR HAS REVIEWED OR PASSED ON THE ACCURACY OR ADEQUACY OF THE OFFERING MATERIALS FOR THESE SECURITIES. THERE ARE SIGNIFICANT RESTRICTIONS ON THE TRANSFERABILITY OF THE SECURITIES DESCRIBED HEREIN AND NO RESALE MARKET MAY BE AVAILABLE AFTER RESTRICTIONS EXPIRE. THE PURCHASE OF THESE SECURITIES INVOLVES A HIGH DEGREE OF RISK AND SHOULD BE CONSIDERED ONLY BY PERSONS WHO CAN BEAR THE RISK OF THE LOSS OF THEIR ENTIRE INVESTMENT WITHOUT A CHANGE IN THEIR LIFESTYLE.

%%NAME_OF_ISSUER%%
%%ADDRESS_OF_ISSUER%%

Ladies and Gentlemen:
The undersigned (hereafter referred to as "Subscriber") understands that %%NAME_OF_ISSUER%%, a Delaware corporation (the "Company"), is offering up to $%%MAX_FUNDING_AMOUNT%% of Class B Common Stock (the "Securities") in a Regulation Crowdfunding offering. This offering is made pursuant to the Form C, dated %%DATE_OF_LAUNCH%% (the "Form C"). Subscriber further understands that the offering is being made pursuant to Section 4(a)(6) of the Act and Regulation Crowdfunding under the Act ("Regulation Crowdfunding") and without registration of the Securities under the Act.

**1. Subscription.** Subject to the terms and conditions hereof and the provisions of the Form C, Subscriber hereby subscribes for the Securities set forth on the signature page hereto for the aggregate purchase price set forth on the signature page hereto, which is payable as described in Section 5 hereof. Subscriber understands and acknowledges that the subscription may not be revoked within the 48 hour period prior to a closing (as described below) of the Offering. Subscriber acknowledges that the Securities will be subject to restrictions on transfer as set forth in this subscription agreement (the "Subscription Agreement").

**2. Joinder to Shareholder Agreement.** By subscribing to the Offering and executing this Subscription and Joinder Agreement, Subscriber hereby agrees to join as a party that is designated as a "Stockholder" to the Stockholders' Agreement attached hereto as Exhibit A and included in the Form C Offering Document (the "***Shareholder Agreement***") as entered into by and among Shareholder, such joinder will become effective upon the Company's acceptance of the Subscription as described in Section 3 below. Any notice required or permitted to be given to Subscriber under the Stockholders' Agreement shall be given to undersigned at the address

provided with undersigned's subscription. Undersigned confirms that undersigned has reviewed the Stockholders' Agreement and will be bound by the terms thereof as a party who is designated as a Stockholder thereunder.

**3. Acceptance of Subscription and Issuance of Securities.** It is understood and agreed that the Company shall have the sole right, at its complete discretion, to accept or reject this subscription, in whole or in part, for any reason and that the same shall be deemed to be accepted by the Company only when it is signed by a duly authorized officer of the Company and delivered to Subscriber at the Closing referred to in Section 4 hereof. Subscriptions need not be accepted in the order received, and the Securities may be allocated among subscribers. If the subscription is rejected in its entirety, Subscriber will not become a party to the Shareholder Agreement.

**4. The Closing.** The closing of the purchase and sale of the Securities (the "Closing") shall take place at 11:59 p.m. PST on %%FUNDING_END_DATE%%, or at such other time and place as the Company may designate by notice to Subscriber. Once the conditions for a Closing have been met, the Company may hold additional Closings.

**5. Payment for Securities.**

(a) Payment for the Securities shall be received by Bryn Mawr Trust Company (the "Escrow Agent")[a] from Subscriber by %%PAYMENT_METHOD%% of immediately available funds or other means approved by the Escrow Agent prior to the Offering campaign deadline, in the amount as set forth on the signature page hereto. Upon the Closing, the Escrow Agent shall release such funds to the Company. Subscriber shall receive notice and evidence of the digital entry of the number of the Securities owned by Subscriber reflected on the books and records of the Company (reflected either (i) under Subscriber's name or (ii) under StartEngine Primary, LLC as nominee) as recorded by StartEngine Secure, LLC (an SEC registered Transfer Agent service operated by StartEngine, Inc.) or other SEC registered transfer agent as designated by the Company, which books and records shall bear a notation that the Securities were sold in reliance upon Regulation CF.

(b) **Special Provisions for cryptocurrency payments**. Notwithstanding Section 4(a), a Subscriber electing to pay in cryptocurrency will remit the cryptocurrency to a third-party payment processor, which will convert it to U.S. dollars. The resulting U.S. dollar proceeds, net of any applicable digital asset handling fee ("Digital Asset Handling Fee"), will then be delivered to the Escrow Agent, to be held and released in accordance with Section 4(a). Once the cryptocurrency has been converted, the Subscriber will be subscribed for the number of Securities the Subscriber is eligible to receive based on the U.S. dollar value of the converted proceeds (the "Final Investment Amount"). Subscriber understands that the Final Investment Amount will be determined following the exchange of the cryptocurrency to U.S. dollars at the current exchange rate, minus the Digital Asset Handling Fee of the Escrow Agent.Subscriber further understands and affirms that Subscriber will be subscribed for the Securities equalling

one-hundred percent (100%) of the Final Investment Amount. In the event that the Final Investment Amount exceeds the annual limit for the Subscriber, or that the Final Investment Amount exceeds the number of Securities available to the Subscriber, Subscriber will be refunded the amount not applied to his subscription. Any refunds, including those for canceled investments, will be made only in the same cryptocurrency used for the initial payment and will be refunded to the same digital wallet address from which the initial payment was made.

(c) **Transfers upon challenged transactions**. In the event Subscriber challenges the payment of any amount hereunder for any reason or by any means, including but not limited to through a credit card dispute resolution process, and receives reimbursement of any amount after the Securities are issued, Subscriber agrees that it consents to the transfer of the Securities relating to such challenge to StartEngine Primary LLC or any affiliate thereof and hereby instructs the Company that such transfer be made to the order of StartEngine Primary LLC without any further action by Subscriber or the payment of any fee therefor.

**6. Representations and Warranties of the Company.** As of the Closing, the Company represents and warrants that:

a) The Company is duly formed and validly existing under the laws of %%STATE_INCORPORATED%%, with full power and authority to conduct its business as it is currently being conducted and to own its assets; and has secured any other authorizations, approvals, permits and orders required by law for the conduct by the Company of its business as it is currently being conducted.

b) The Securities have been duly authorized and, when issued, delivered and paid for in the manner set forth in this Subscription and Joinder Agreement, will be validly issued, fully paid and nonassessable, and will conform in all material respects to the description thereof set forth in the Form C.

c) The execution and delivery by the Company of this Subscription and Joinder Agreement and the consummation of the transactions contemplated hereby (including the issuance, sale and delivery of the Securities) are within the Company's powers and have been duly authorized by all necessary corporate action on the part of the Company. Upon full execution hereof, this Subscription and Joinder Agreement shall constitute a valid and binding agreement of the Company, enforceable against the Company in accordance with its terms, except (i) as limited by applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally, (ii) as limited by laws relating to the availability of specific performance, injunctive relief, or other equitable remedies and (iii) with respect to provisions relating to indemnification and contribution, as limited by considerations of public policy and by federal or state securities laws.

d) Assuming the accuracy of Subscriber's representations and warranties set forth in Section 7 hereof, no order, license, consent, authorization or approval of, or exemption by, or action by or in respect of, or notice to, or filing or registration with, any governmental body, agency or official is required by or with respect to the Company in connection with the execution, delivery and performance by the Company of this Subscription and Joinder Agreement except (i) for such filings as may be required under Regulation Crowdfunding, or under any applicable state securities laws, (ii) for such other filings and approvals as have been made or obtained, or (iii) where the failure to obtain any such order, license, consent, authorization, approval or exemption or give any such notice or make any filing or registration would not have a material adverse effect on the ability of the Company to perform its obligations hereunder.

**7. Representations and Warranties of Subscriber.** Subscriber hereby represents and warrants to and covenants with the Company that:

*a) General.*

i. Subscriber has all requisite authority (and in the case of an individual, the capacity) to purchase the Securities, enter into this Subscription and Joinder Agreement and to perform all the obligations required to be performed by Subscriber hereunder and as party to the Shareholder Agreement, and neither such purchase nor becoming a party to the Shareholder Agreement will contravene with any law, rule or regulation binding on Subscriber or any investment guideline or restriction applicable to Subscriber.

ii. Subscriber is a resident of the state set forth on the signature page hereto and is not acquiring the Securities as a nominee or agent or otherwise for any other person.

iii. Subscriber will comply with all applicable laws and regulations in effect in any jurisdiction in which Subscriber purchases or sells Securities and obtain any consent, approval or permission required for such purchases or sales under the laws and regulations of any jurisdiction to which Subscriber is subject or in which Subscriber makes such purchases or sales, and the Company shall have no responsibility therefor.

iv. Including the amount set forth on the signature page hereto, in the past 12 month period, Subscriber has not exceeded the investment limit as set forth in Rule 100(a)(2) of Regulation Crowdfunding.

*b) Information Concerning the Company.*

i. Subscriber has reviewed a copy of the Form C and a copy of the Shareholder Agreement. With respect to information provided by the Company, Subscriber has relied solely on the information contained in the Form C to make the decision to purchase the Securities.

ii. Subscriber understands and accepts that the purchase of the Securities involves various risks, including the risks outlined in the Form C and in this Subscription and Joinder Agreement. Subscriber represents that it is able to bear any and all loss associated with an investment in the Securities.

iii. Subscriber confirms that it is not relying and will not rely on any communication (written or oral) of the Company, StartEngine, Inc. ("StartEngine"), or any of their respective affiliates, as investment advice or as a recommendation to purchase the Securities. It is understood that information and explanations related to the terms and conditions of the Securities provided in the Form C or otherwise by the Company, StartEngine or any of their respective affiliates shall not be considered investment advice or a recommendation to purchase the Securities, and that neither the Company, StartEngine nor any of their respective affiliates is acting or has acted as an advisor to Subscriber in deciding to invest in the Securities. Subscriber acknowledges that neither the Company, StartEngine nor any of their respective affiliates have made any representation regarding the proper characterization of the Securities for purposes of determining Subscriber's authority or suitability to invest in the Securities.

iv. Subscriber is familiar with the business and financial condition and operations of the Company, all as generally described in the Form C. Subscriber has had access to such information concerning the Company and the Securities as it deems necessary to enable it to make an informed investment decision concerning the purchase of the Securities.

v. Subscriber understands that, unless Subscriber notifies the Company in writing to the contrary at or before the Closing, each of Subscriber's representations and warranties contained in this Subscription and Joinder Agreement will be deemed to have been reaffirmed and confirmed as of the Closing, taking into account all information received by Subscriber.

vi. Subscriber acknowledges that the Company has the right in its sole and absolute discretion to abandon this offering at any time prior to the completion of the offering. This Subscription and Joinder Agreement shall thereafter have no force or effect and the Company shall return any previously paid subscription price of the Securities, without interest thereon, to Subscriber.

vii. Subscriber understands that no federal or state agency has passed upon the merits or risks of an investment in the Securities or made any finding or determination concerning the fairness or advisability of this investment.

viii. Subscriber acknowledges that it has up to 48 hours before any closing and issuance of Securities to cancel the purchase and get a full refund. Subscriber understands that Closings may occur on a "rolling" basis, and that after any such "rolling" Closing, information may become available that would affect Subscriber's investment decision, but that once a Closing occurs, no refund may occur.

*c) No Guaranty.*

i. Subscriber confirms that the Company has not (A) given any guarantee or representation as to the potential success, return, effect or benefit (either legal, regulatory, tax, financial, accounting or otherwise) of an investment in the Securities or (B) made any representation to Subscriber regarding the legality of an investment in the Securities under applicable legal investment or similar laws or regulations. In deciding to purchase the Securities, Subscriber is not relying on the advice or recommendations of the Company and Subscriber has made its own independent decision, alone or in consultation with its investment advisors, that the investment in the Securities is suitable and appropriate for Subscriber.

*d) Status of Undersigned.*

i. Subscriber has such knowledge, skill and experience in business, financial and investment matters that Subscriber is capable of evaluating the merits and risks of an investment in the Securities. With the assistance of Subscriber's own professional advisors, to the extent that Subscriber has deemed appropriate, Subscriber has made its own legal, tax, accounting and financial evaluation of the merits and risks of an investment in the Securities and the consequences of this Subscription and Joinder Agreement. Subscriber has considered the suitability of the Securities as an investment in light of its own circumstances and financial condition and Subscriber is able to bear the risks associated with an investment in the Securities and its authority to invest in the Securities.

*e) Restrictions on Transfer or Sale of Securities.*

i. Subscriber is acquiring the Securities solely for Subscriber's own beneficial account, for investment purposes, and not with a view to, or for resale in connection with, any distribution of the Securities. Subscriber understands that the Securities have not been registered under the Securities Act or any state securities laws by reason of specific exemptions under the provisions thereof which depend in part upon the investment intent of Subscriber and of the other representations made by Subscriber in this Subscription and Joinder Agreement. Subscriber understands that the Company is relying upon the representations and agreements contained in this Subscription and Joinder Agreement (and any supplemental information) for the purpose of determining whether this transaction meets the requirements for such exemptions.

ii. Subscriber understands that the Securities are restricted from transfer for a period of time under applicable federal securities laws and that the Securities Act and the rules of the U.S. Securities and Exchange Commission (the "Commission") provide in substance that Subscriber may dispose of the Securities only pursuant to an effective registration statement under the Securities Act, an exemption therefrom or as further described in Section 227.501 of Regulation Crowdfunding, after which certain state restrictions may apply. Subscriber understands that the Company has no obligation or intention to register any of the Securities, or to take action so as to permit sales pursuant to the Securities Act. Even when the Securities become freely transferable, a secondary market in the Securities may not develop. Consequently, Subscriber understands that Subscriber must bear the economic risks of the investment in the Securities for an indefinite period of time.

iii. Subscriber agrees: (A) that Subscriber will not sell, assign, pledge, give, transfer or otherwise dispose of the Securities or any interest therein, or make any offer or attempt to do any of the foregoing, except pursuant to Section 227.501 of Regulation Crowdfunding.

*f) Uncertified Securities.*

i. Subscriber acknowledges that the Company is authorized to issue uncertificated securities, and hereby waives Subscriber's right to receive a certificate representing the securities and consents and agrees to the issuance of uncertificated securities.

**8. Conditions to Obligations of Subscriber and the Company.** The obligations of Subscriber to purchase and pay for the Securities specified on the signature page hereto and of the Company to sell the Securities are subject to the satisfaction at or prior to the Closing of the following conditions precedent: the representations and warranties of the Company contained in Section 6 hereof and of Subscriber contained in Section 7 hereof shall be true and correct as of the Closing in all respects with the same effect as though such representations and warranties had been made as of the Closing.

**9. Manner of Holdings**

Subscriber consents to StartEngine Primary LLC holding the Securities as custodian (the "Custodian"). The Securities will be recorded on the books of the Company as being held by the Custodian in omnibus as legal holder of record of the securities. The undersigned will appear on the books of the Custodian as the beneficial owner of the Securities.

**10. Obligations Irrevocable.** Following the Closing, the obligations of Subscriber shall be irrevocable.

**11. Waiver, Amendment.** Neither this Subscription and Joinder Agreement nor any provisions hereof shall be modified, changed, discharged or terminated except by an instrument in writing, signed by the party against whom any waiver, change, discharge or termination is sought.

**12. Assignability.** Neither this Subscription and Joinder Agreement nor any right, remedy, obligation or liability arising hereunder or by reason hereof shall be assignable by either the Company or Subscriber without the prior written consent of the other party.

**13. Waiver of Jury Trial.** Subscriber IRREVOCABLY WAIVES ANY AND ALL RIGHT TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING ARISING OUT OF THE TRANSACTIONS CONTEMPLATED BY THIS SUBSCRIPTION AGREEMENT.

**14. Submission to Jurisdiction.** With respect to any suit, action or proceeding relating to any offers, purchases or sales of the Securities by Subscriber ("Proceedings"), Subscriber irrevocably submits to the jurisdiction of the federal or state courts with jurisdiction over the %%ISSUER_LOCATION%% which submission shall be exclusive unless none of such courts has lawful jurisdiction over such Proceedings.

**15. Governing Law.** This Subscription and Joinder Agreement shall be governed by and construed in accordance with the laws of the State of %%ISSUER_LOCATION%%, without regard to conflict of law principles thereof.

**16. Section and Other Headings.** The section and other headings contained in this Subscription and Joinder Agreement are for reference purposes only and shall not affect the meaning or interpretation of this Subscription and Joinder Agreement.

**17. Counterparts.** This Subscription and Joinder Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which together shall be deemed to be one and the same agreement.

**18. Notices.** All notices and other communications provided for herein shall be in writing and shall be deemed to have been duly given if delivered personally or sent by registered or certified mail, return receipt requested, postage prepaid or email to the following addresses (or such other address as either party shall have specified by notice in writing to the other):

If to the Company: %%ADDRESS_OF_ISSUER%%
E-mail: %%ISSUER_EMAIL%%
Attention: %%ISSUER_TITLE%%
with a copy to: Attention: %%LEGAL_NAME%%
E-mail: %%LEGAL_EMAIL%%

If to the Purchaser: %%VESTING_AS%%
E-mail: %%VESTING_AS_EMAIL%%
Attention: %%INVESTOR_TITLE%%

**19. Binding Effect.** The provisions of this Subscription and Joinder Agreement shall be binding upon and accrue to the benefit of the parties hereto and their respective heirs, legal representatives, successors and assigns.

**20. Survival**. All representations, warranties and covenants contained in this Subscription and Joinder Agreement shall survive (i) the acceptance of the subscription by the Company, (ii) changes in the transactions, documents and instruments described in the Form C which are not material or which are to the benefit of Subscriber and (iii) the death or disability of Subscriber.

**21. Notification of Changes.** Subscriber hereby covenants and agrees to notify the Company upon the occurrence of any event prior to the closing of the purchase of the Securities pursuant to this Subscription and Joinder Agreement, which would cause any representation, warranty, or covenant of Subscriber contained in this Subscription and Joinder Agreement to be false or incorrect.

**22. Severability.** If any term or provision of this Subscription and Joinder Agreement is invalid, illegal or unenforceable in any jurisdiction, such invalidity, illegality or unenforceability shall not affect any other term or provision of this Subscription and Joinder Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, Subscriber has executed this Subscription Agreement this %%NOW%%.

| **PURCHASER (if an individual):** |
| --- |
| **By** **%%SUBSCRIBER_SIGNATURE%%**<br>**Name:** **%%VESTING_AS%%**<br>**%%VESTING_AS_EMAIL%%**<br>**%%SUBSCRIBER_SIGNATURE%%** |

| **PURCHASER (if an entity):** |
| --- |

| |
|---|
| **__%%SUBSCRIBER_SIGNATURE%%_____** |
| **Legal Name of Entity** |
| **By_____%%INVESTOR_SIGNATURES%%_____** |
| **Name: %%VESTING_AS%%** |
| **%%VESTING_AS_EMAIL%%** |
| **Title:%%INVESTOR_TITLE%%** |

State/Country of Domicile or Formation: _____

The offer to purchase Securities as set forth above is confirmed and accepted by the Company as to %%EQUITY_SHARE_COUNT%% Securities for $%%VESTING_AMOUNT%%.

| **%%NAME_OF_ISSUER%%** |
|---|
| **By____%%ISSUER_SIGNATURE%%_____** |
| **Name: %%NAME_OF_ISSUER%%** |
| **Title: %%ISSUER_TITLE%%** |

[a]

Escrow Agent has not investigated the desirability or advisability of investment in the Securities nor approved, endorsed or passed upon the merits of purchasing the Securities; and the name of Escrow Agent has not and shall not be used in any manner in connection with the Offering of the Securities other than to state that Escrow Agent has agreed to serve as escrow agent for the limited purposes set forth in this Agreement.

**Exhibit A to Subscription and Joinder Agreement**

Stockholders' Agreement

*See attached*

# STOCKHOLDERS' AGREEMENT

**DATED AS OF JULY 17, 2025**

**AMONG**

**CARTEL COFFEE LAB, INC.**

**AND THE OTHER**

**SIGNATORIES HERETO**

# STOCKHOLDERS' AGREEMENT

THIS **STOCKHOLDERS' AGREEMENT** (this "Agreement"), dated as of July 17, 2025 (the "Effective Date"), is entered into by and among **CARTEL COFFEE LAB, INC.**, a Delaware corporation (the "Company"), and the Persons whose names are set forth on the attached Schedule I and having an address as set forth therein (each a "Stockholder" and collectively, the "Stockholders"), as amended from time to time to add such other Person(s) who may hereafter become a party to this Agreement.

## RECITALS

A. The initial Stockholders were members of Cartel Coffee Lab, LLC, an Arizona limited liability company ("Cartel LLC").

B. In connection with the conversion of Cartel LLC and incorporation of the Company, the Stockholders and the Company have agreed that it is in their mutual best interest and in the best interest of the Company to provide certain rights, obligations, and restrictions with respect to the shares of Common Stock, together with any other voting capital stock of the Company now or hereafter owned by any Stockholder in any context.

## AGREEMENT

NOW, THEREFORE, in consideration of the premises, the mutual covenants, and agreements herein contained, and other valuable consideration, the receipt, adequacy, and sufficiency of which are hereby acknowledged, the parties hereto, intending to be legally bound, do hereby covenant and agree as follows:

### Article I
### DEFINITIONS

I.1 **Certain Definitions.** Capitalized terms used herein and not otherwise defined shall have the meanings set forth in this Article I:

"Adjustment" shall have the meaning set forth in Section 6.12.

"Affiliate" means any entity which directly or indirectly Controls, is Controlled by, or is under common Control with, a party to this Agreement.

"Agreement" shall have the meaning set forth in the introductory paragraph.

"Board" or "Board of Directors" means the Board of Directors of the Company, as it may be constituted from time to time.

"Buy/Sell Offer" shall have the meaning set forth in Section 2.6.

"Capital Stock" means all Common Stock and any other class or series of capital stock or equity securities of the Company, whether authorized as of or after the date hereof, in each case together with any Stock Equivalents thereon, purchased, owned, or otherwise acquired as of or

after the date hereof, and any securities issued in respect of any of the foregoing, or in substitution therefor, in connection with any stock split, dividend, or combination, or any reclassification, recapitalization, merger, consolidation, exchange, or other similar event.

"Certificate" means the Certificate of Incorporation of the Company, as it may be amended from time to time.

"Class A Common Stock" means the Class A Common Stock, par value $0.0001 per share, of the Company.

"Class B Common Stock" means the Class B Common Stock, par value $0.0001 per share, of the Company.

"Common Stock" means the common stock, par value $0.0001 per share, whether Class A Common Stock or Class B Common Stock.

"Company" means Cartel Coffee Lab, Inc., a Delaware corporation.

"Common Stock" shall have the meaning given to such term in the recitals to this Agreement.

"Consent of Spouse" shall have the meaning set forth in Section 6.22.

"Control" (and conjugated verb forms, and cognate noun forms, thereof) means (i) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of an entity, whether through ownership of voting securities, by contract, or otherwise, or (ii), if the Person is a trust, the sole power and authority to revoke, terminate, amend, or modify the trust or the trust agreement, declaration of trust, or other instrument under which the trust was created, and veto any decision of any trustee of such trust. Ownership of more than 50% of the beneficial interests of an entity shall be conclusive evidence that control exists.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Family Group" means an individual's spouse and lineal descendants, parents, grandparents, and any family limited partnership or trust or other fiduciary relationship solely for the benefit of such individual or such individual's spouse, parents, grandparents, or lineal descendants; provided, however, such individual, at all times, maintains Control of such limited partnership, trust, or such other permitted entity.

"Founding Stockholder" shall mean Jason R. Silberschlag and Amy E. Silberschlag.

"Joining Stockholder" shall mean any Stockholder that is not a Founding Stockholder.

"Liquidation Event" shall have the meaning set forth in the Certificate, or if no such definition is included in the Certificate, a Liquidation Event shall be deemed to have occurred if

(i) the Company merges or consolidates with or into another entity and is not the surviving entity (other than a merger to change the state of incorporation of the Company or any successor entity); (ii) the Company sells or otherwise transfers all or substantially all of its assets; or (iii) a majority of the voting capital stock of the Company is transferred in a single transaction or a series of related transactions.

"Offerees" shall have the meaning set forth in Section 2.6.

"Offeror" shall have the meaning set forth in Section 2.6.

"Offer Period" shall have the meaning set forth in Section 2.2.

"Offered Price" shall have the meaning set forth in Section 2.2.

"Offered Stock" shall have the meaning set forth in Section 2.2.

"Permitted Transfer(s)" shall have the meaning set forth in Section 2.3.

"Permitted Transferee" shall have the meaning set forth in Section 2.3.

"Person(s)" includes any individual, corporation, association, partnership (general or limited), joint venture, trust, estate, limited liability company, or other legal entity or organization.

"Post-Election Period" shall have the meaning set forth in Section 2.6.

"Prime Rate" means the annual base rate of interest published in the Wall Street Journal (Western Edition) from time to time as the "prime rate" (or such other similar publication as the Board of Directors may choose if the Wall Street Journal (Western Edition) ceases to publish the "prime rate"). As used herein, the Prime Rate shall be adjusted monthly on the first day of each month in conformity with the above described "prime rate" then in effect.

"Purchasing Stockholder" shall have the meaning set forth in Section 2.6.

"Qualified Public Offering" means a firm commitment underwritten public offering of the Company's Common Stock underwritten by a nationally recognized full-service investment bank pursuant to which the aggregate net proceeds received by the Company are at least $50,000,000 (calculated after deducting underwriting discounts and commissions and after calculation of expenses).

"Sale of the Company" shall have the meaning set forth in Section 3.1.

"Securities Act" means the Securities Act of 1933, as amended, or any similar federal statute, and the rules and regulations of the Commission thereunder, all as the same shall be in effect at the time.

"Selling Stockholder" shall have the meaning set forth in Section 2.2.

"Stock Equivalents" means any security or obligation that is by its terms, directly or indirectly, convertible into and exchangeable or exercisable for shares of Capital Stock, and any option, warrant, or other right to subscribe for, purchase, or acquire shares of Capital Stock or Stock Equivalents (disregarding any restrictions or limitations on the exercise of such rights).

"Stock Sale" shall have the meaning set forth in Section 3.1(a).

"Stockholder(s)" shall have the meaning set forth in the introductory paragraph to this Agreement.

"Third Party Purchaser" means any Person who, immediately prior to the contemplated transaction: (a) does not, directly or indirectly, own or have the right to acquire any outstanding shares of Capital Stock; or (b) is not a Permitted Transferee of any Person who, directly or indirectly, owns or has the right to acquire any shares of Capital Stock.

"Transfer" means to, directly or indirectly, sell, transfer, assign, gift, pledge, encumber, hypothecate, or similarly dispose of, either voluntarily or involuntarily, by operation of law or otherwise, or to enter into any contract, option, or other arrangement or understanding with respect to the sale, transfer, assignment, gift, pledge, encumbrance, hypothecation, or similar disposition of, any Capital Stock owned by a Person or any interest (including a beneficial interest) in any Capital Stock owned by a Person.

"Transfer Notice" shall have the meaning set forth in Section 2.2.

## Article II
## RESTRICTIONS ON TRANSFER

II.1 **Restrictions on Transfer.**

(a) No Stockholder (including transferees of Stockholders) shall, directly or indirectly, voluntarily or involuntarily, Transfer any shares of Capital Stock, or any interest therein, whether by operation of law or otherwise, except as permitted or in accordance with all of the provisions of this Agreement. Any Transfer not in accordance with this Agreement shall be null and void. A Person to whom any Transfer of shares of Capital Stock is made that does not comply with this Agreement shall not be recognized as the holder of those shares of Capital Stock or as having acquired any voting, dividend, or other rights in respect thereto, and the Company may not reflect on its books, or any register therein, any Transfer of shares of Capital Stock except those transferred in strict compliance with this Agreement.

(b) Prior notice shall be given to the Company by a Stockholder of any Transfer of Capital Stock, including Transfers to a Permitted Transferee. Prior to the consummation of any Transfer by any Stockholder of any of its Capital Stock, including a Transfer to a Permitted Transferee or a Third Party Purchaser, such Stockholder shall cause: (i) any transferee who is not already a party to this Agreement to execute and deliver to the Company a joinder agreement in the form attached hereto as Exhibit A ("Joinder Agreement"), in which such transferee agrees to be bound by the terms and conditions of this Agreement; and (ii) any spouse of such transferee to execute and deliver to the Company a Consent of Spouse. Upon any Transfer of Capital Stock by any Stockholder in accordance with this Section 2.1(b)

and the other terms of this Agreement, the transferee thereof shall be substituted for, and shall assume all the rights and obligations under this Agreement of, the transferor thereof.

(c) Notwithstanding any other provision of this Agreement, each Stockholder agrees that it will not, directly or indirectly, Transfer any of its Capital Stock: (i) except as permitted under the Securities Act and other applicable federal or state securities laws, and then, if requested by the Company, only upon delivery to the Company of an opinion of counsel in the form and substance satisfactory to the Company to the effect that such Transfer may be effected without registration under the Securities Act; (ii) if it would cause the Company or any of its Affiliates or subsidiaries to be required to register as an investment company under the Investment Company Act of 1940, as amended; or (iii) if it would cause the assets of the Company or any of its Affiliates or subsidiaries to be deemed plan assets as defined under the Employee Retirement Income Security Act of 1974 or its accompanying regulations or result in any "prohibited transaction" thereunder involving the Company. In any event, the Board may refuse the Transfer to any Person if such Transfer would have a material adverse effect on the Company.

II.2 **Company Offer**.

(a) If a Stockholder (the "Selling Stockholder") desires to Transfer any or all of such Stockholder's shares of Capital Stock (or applicable Stock Equivalents) (the "Offered Stock"), such Stockholder shall first give written notice (a "Transfer Notice") thereof to the Company, identifying the proposed transferee, the number of shares of Capital Stock sought to be transferred, the proposed purchase price (the "Offered Price"), and, if applicable, the terms of the proposed transaction including the proposed transaction date, and a copy of any written offer or other writing setting forth the terms and conditions of the proposed transaction. Such Transfer Notice shall constitute an irrevocable offer by the Selling Stockholder to sell all of the Offered Stock to the Company (or a designee approved by the Company's Board of Directors) (i) at the Offered Price and upon the same terms and conditions as the Selling Stockholder is willing to Transfer the Offered Stock to the proposed transferee; (ii) if, pursuant to the terms of the Transfer Notice, the consideration proposed to be paid for the Offered Stock is in property, services, or other non-cash consideration, the fair market value (as of the date on which the purchase is to be effected) of the Offered Stock, as shall be determined in good faith by the Company's Board of Directors; or (iii) if, pursuant to the terms of the Transfer Notice, the consideration proposed to be paid for the Offered Stock is zero or is unstated, the fair market value (as of the date on which the purchase is to be effected) of the Offered Stock, as shall be determined in good faith by the Company's Board of Directors. Once given, a Transfer Notice may not be modified or amended except with the prior written consent of the Company. Within the 30-day period following the giving of the Transfer Notice (the "Offer Period"), the Company may elect, by giving written notice of such election to the Selling Stockholder, to purchase (or have its designee purchase) all or a portion of the Offered Stock at the price determined pursuant to this Section 2.2 (with or without consideration, as applicable) and upon the same terms and conditions as the Selling Stockholder is willing to sell (or Transfer) the Offered Stock to the proposed transferee. Any modification or amendment of a Transfer Notice shall be deemed a new Transfer Notice with respect to the proposed transfer and shall restart the Offer Period. Any determination by the Board of Directors of the fair market value of the Offered Stock shall be binding and conclusive on all parties.

(b) If the Company (or its designee) does not elect, by notice in writing given to the Selling Stockholder within the Offer Period, to purchase (or have its designee purchase) all or a portion of the Offered Stock to which it (or its designee) is entitled, then the Selling Stockholder shall be free to dispose of all of the remaining Offered Stock within 60 days of the end of the Offer Period to the original proposed transferee, at a price not lower than the Offered Price, and upon the terms stipulated in the Transfer Notice in all material respects. However, as a condition to the effectiveness of such Transfer, said transferee shall thereupon become a party to this Agreement as a Stockholder and, pursuant to Section 6.15, shall confirm such fact by executing a counterpart of this Agreement. If such Offered Stock is not so disposed of by the Selling Stockholder within such 60-day period, the Selling Stockholder shall continue to hold such Capital Stock subject to all of the terms and conditions of this Agreement and may not sell such Capital Stock without again complying with all of the provisions hereof.

II.3 **Certain Transfers Not Prohibited**. Except as otherwise expressly provided herein, the restrictions on Transfers or other dispositions of Capital Stock (or applicable Stock Equivalents) contained in this Agreement shall not be construed to prohibit the following Transfers of Capital Stock (or applicable Stock Equivalents) ("Permitted Transfers"):

(a) Transactions qualifying as a Liquidation Event;

(b) Transfers to another Stockholder; provided, however, with respect to holders of Class B Common Stock, a holder of Class B Common Stock shall not transfer shares of Class B Common Stock to another Stockholder during the one-year period following such holders' initial acquisition of the shares of Class B Common Stock from the Company, unless the proposed transferee is (i) another Stockholder, and (ii) an "accredited investors" as defined in Regulation D promulgated under the Securities Act;

(c) Transfers of Capital Stock by a Stockholder to an Affiliate of such Stockholder, including to a member(s) of such Stockholder's Family Group, provided the transferring Stockholder retains the voting rights attributed to such Capital Stock;

(d) Transfers made pursuant to Section 2.5 or Section 3.1 of this Agreement; or

(e) any Transfer as part of a Qualified Public Offering.

Any and all shares of Capital Stock (or applicable Stock Equivalents) in the hands of any transferee pursuant to this Section 2.3 (each a "Permitted Transferee") shall remain subject to this Agreement. Permitted Transferees shall be deemed to be Stockholders for all purposes of this Agreement as if they had executed and delivered this Agreement.

II.4 **Prohibited Transferees**. Notwithstanding the foregoing, no Stockholder may, without prior written consent of the Company's Board of Directors, Transfer (or solicit the purchase of) any voting equity interest in the Company to any entity or any associate (as defined in Rule 12b-2 of the Exchange Act) of any entity that the Board of Directors of the Company, in its sole and absolute discretion, determines (a) is an entity which, in the determination of the Company's Board of Directors, directly or indirectly competes with the Company, or (b) is a customer, distributor, or supplier of the Company, if the Company's Board of Directors should

determine that such transfer would result in such customer, distributor, or supplier receiving information that would place the Company at a competitive disadvantage with respect to such customer, distributor, or supplier.

II.5 **Involuntary Transfers**.

(a) **Divorce**. In the event of the divorce of a Joining Stockholder and such Stockholder's spouse, then such Joining Stockholder shall have the first right and option to purchase all, but not less than all, of the Capital Stock or interest therein as is acquired or held by the spouse at the price and on the terms and conditions as provided in Sections 2.5(b)(3) through 2.5(b)(5), inclusive, of this Agreement, substituting the divorced spouse of the Joining Stockholder for references therein to "decedent" or "the personal representative of the decedent." In the event the Joining Stockholder fails to exercise such option to purchase, then the Company (or its designee) shall have the right and option to purchase such Capital Stock in the same manner and in accordance with the provisions of Sections 2.5(b)(3) through 2.5(b)(5), inclusive, of this Agreement.

(b) **Purchase Upon Death**. Upon the death of a Joining Stockholder or the spouse of a Joining Stockholder, hereinafter referred to as the decedent, all the Capital Stock of the Company owned by the decedent shall be disposed of as herein provided.

(1) **Spouse of Joining Stockholder as Decedent**. Upon the death of a spouse of a Joining Stockholder, if such spouse dies intestate or in any manner has given, devised, or bequeathed (or attempted to devise or bequeath) such spouse's community property interest in the Capital Stock to a Person or Persons other than to such Joining Stockholder, then the Joining Stockholder who is the surviving spouse shall have the first right and option to purchase all, but not less than all, of such community interest from the estate of the deceased spouse or other Persons claiming to own or hold the same in the same manner and in accordance with the provisions of Sections 2.5(b)(3) through 2.5(b)(5), inclusive, of this Agreement. The Joining Stockholder who is the surviving spouse shall have 60 days following the date of death of such Joining Stockholder's spouse to give written notice of exercise of such Joining Stockholder's option to purchase such community interest to the decedent's estate or other successor in interest and to the Company. In the event the Joining Stockholder who is the surviving spouse fails to exercise such option to purchase, then the Company (or its designee) shall have the right to purchase such community interest in the same manner and in accordance with the provisions of Sections 2.5(b)(3) through 2.5(b)(5), inclusive, of this Agreement as if the spouse of the Joining Stockholder were a Joining Stockholder and such community interest were Capital Stock.

(2) **Joining Stockholder as Decedent**. In the event of the death of any Joining Stockholder, then the Company (or its designee) shall have the right and option to purchase all, but not less than all, of the Capital Stock owned by the decedent, in the same manner and in accordance with the provisions of Sections 2.5(b)(3) through 2.5(b)(5), inclusive, of this Agreement. The Company (or its designee) shall have 90 days following the date of death to give written notice of exercise of the Company's option to purchase such Capital Stock to the decedent's estate or other successor in interest.

(3) **Purchase Price**. In the event Capital Stock of a Joining Stockholder or spouse is purchased pursuant to this Section 2.5 or if no consideration is to be paid pursuant to the terms stated in the Transfer Notice, the per share purchase price of the Capital Stock shall be an amount equal to the fair market value of such share, determined by the Board of Directors of the Company as of any date determined by the Board of Directors that is not more than one year prior to the date of the event giving rise to the right to purchase such Capital Stock. Any determination of fair market value made by the Board of Directors shall be binding and conclusive on all parties unless shown to have been made in an arbitrary and capricious manner. In the event the personal representative of the decedent, or the purchaser or seller in such purchase transaction, believes that such determination of fair market value was made in an arbitrary and capricious manner, the fair market value of the Capital Stock shall be determined by one appraiser mutually agreeable by such purchaser or seller (or, if applicable, the personal representative of the decedent). The decision of the appraiser shall be binding on all parties, and the costs of the appraiser shall be borne equally by the parties.

(4) **Payment of Purchase Price**. The purchase price for all Capital Stock shall be paid in cash or by certified check; provided, however, that in the event the Company or its designee is the purchaser of the Capital Stock, the Company (or its designee) shall be entitled, in the Company's sole and absolute discretion, to pay the purchase price (i) in cash or by certified check or (ii) by delivery of a promissory note providing for 60 equal monthly payments plus interest per annum at a rate equal to the Prime Rate.

(5) **Closing**. Unless otherwise provided in this Agreement or otherwise agreed by the parties, the closing of the sale and purchase of Capital Stock shall take place at the principal office of the Company not later than 30 days following the exercise of the option to purchase Capital Stock pursuant to this Section 2.5.

II.6 **Buy/Sell.**

(a) **Buy/Sell**. Prior to tendering any Buy/Sell Offer (as defined below) hereunder, the Founding Stockholders shall have Completed a mandatory mediation session pursuant to Section 6.21. Thereafter, any Founding Stockholder (hereinafter in this Section referred to as the "Offeror") may, at any time and for any reason, tender to the other Founding Stockholder a written offer (the "Buy/Sell Offer") to simultaneously (i) offer to sell to the other Founding Stockholder all, but not less than all, of the Capital Stock owned by the Offeror to the other Founding Stockholder (hereinafter in this Section referred to as the "Offeree") on the terms and conditions thereof (which shall be consistent with the terms of this Section 2.6); and (ii) offer to purchase from the Offeree all, but not less than all, of the Capital Stock owned by the Offeree. The Offeror shall deliver a copy of the Buy/Sell Offer in writing to the Offeree pursuant to the notice requirements in Section 6.13, and such offer shall include any relevant forms of definitive documentation as proposed by the Offeror. The Buy/Sell Offer shall state the price per share and payment terms at which the Offeror is prepared to sell his or her Capital Stock or acquire the Capital Stock of the Offeree. The Buy/Sell Offer shall constitute a binding obligation of the Founding Stockholders to sell and purchase such Capital Stock as provided in this Section 2.6. If the terms of the Buy/Sell Offer require that any portion of the purchase price be paid in the form of a promissory note, then the terms of the note must comply with the following conditions: (1) the term of the note shall be no longer than three years; (2) the principal

outstanding under the note shall accrue interest annually at a rate that shall be no less than 5%; (3) obligations under the note shall be secured by all Company assets and a pledge of all Company membership interests of the Purchasing Stockholder (as defined below); and (4) obligations under the note shall be personally guaranteed by the Purchasing Stockholder and the Purchasing Stockholder's spouse, if any.

(b) **Election Pursuant to Buy/Sell Offer**. The Offeree shall, within 60 calendar days of the date of receipt of the Buy/Sell Offer by the Offeree, elect to either (i) acquire all of the Offeror's Capital Stock on the terms and conditions set forth in the Buy/Sell Offer, or (ii) sell all of such Offeree's Capital Stock to the Offeror on the terms and conditions set forth in the Buy/Sell Offer. If the Offeree fails to so elect within 60 calendar days of receipt, such Offeree shall be deemed to have elected to sell of his or her Capital Stock to the Offeror on the terms and conditions and at the purchase price as set forth in the Buy/Sell Offer.

(c) **Management of the Company Pending Closing**. From and after expiration of the 60-day period referred to in Section 2.6(b), the Founding Stockholder who either elects or is deemed to have elected to sell (in either case hereinafter referred to as the "Selling Stockholder") shall, pending the closing, have no right to participate in the management of the Company and shall resign as a member of the Board of Managers; provided, however, that the Founding Stockholder that is the purchaser in the transaction ("Purchasing Stockholder") shall have provided to the Selling Stockholder satisfactory evidence of financial capability to perform.

(d) **Purchaser's Assumption of Company Obligations**. In connection with a Founding Stockholder's election to become the Purchasing Stockholder, the Purchasing Stockholder shall, in addition to payment of the purchase price, assume and agree to perform or pay all obligations of the Selling Stockholder's share of any Company liabilities; provided, however, that the Purchasing Stockholder shall not assume or be obligated to pay any liabilities arising from any tort or act of intentional misconduct committed by the Selling Stockholder. The Purchasing Stockholder shall execute any and all documents reasonably necessary to affect the assumption required hereunder.

(e) **Closing; Definitive Agreement**. The closing of the purchase and sale of Capital Stock pursuant to the Buy/Sell Offer shall be consummated within 30 calendar days of such date as the Offeree (i) delivers written notice of the Offeree's election pursuant to Section 2.6(b), or (ii) is deemed to have elected to sell the Capital Stock pursuant to Section 2.6(b) (the "Post-Election Period").

(f) **Suspension of Buy/Sell Provisions**. Notwithstanding anything to the contrary contained in this Section 2.6, no Founding Stockholder shall have the right to invoke the provisions of this Section 2.6 during any period of time that the Company (i) has engaged an investment banking firm or other third-party firm to actively sell or market the Company for sale (regardless of the form of such transaction), or (ii) is actively negotiating for the sale of the Company (regardless of the form of such transaction).

(g) **Breach of the Buy/Sell**. In the event that the purchase and sale contemplated by Section 2.6(a) – (f) has not been consummated by the expiration of the Post-

Election Period, through the fault of either the Selling Stockholder or the Purchasing Stockholder, then the non-breaching party shall have the right, exercisable upon delivery of a written notice to the breaching party, within 15 days after the expiration of such time period, to acquire all of the Capital Stock owned by the breaching party at a purchase price equal to 75% of the purchase price in the original Buy/Sell Offer made pursuant to Section 2.6(a). The closing of the purchase and sale contemplated by this Section 2.6(g) shall be consummated within 60 days after receipt by the breaching party of the notice provided pursuant to this Section 2.6(g). In the event the non-breaching party elects not to purchase the interest of the breaching party, then 25% of such breaching party's Interest shall be deemed to be forfeited to the non-breaching party, and such breaching party shall be precluded from initiating any further action under this Section 2.6.

II.7 **Lock-Up Agreements**. Notwithstanding anything to the contrary contained in this Agreement, each Stockholder hereby agrees that, during the period of duration specified by the Company and the managing underwriter, if any, (not to exceed 180 days) following the effective date of a registration statement of the Company filed under the Securities Act, it shall not, to the extent requested by the Company or an underwriter, directly or indirectly, sell, offer to sell, contract to sell (including, without limitation, any short sale), grant any option to purchase, pledge, hypothecate, or otherwise Transfer or dispose of any securities of the Company held by it at any time during such period except those securities included in such registration; provided, however, that the foregoing obligations of each Stockholder is conditioned upon similar agreements being in effect with each other Stockholder who is an officer, director, or a holder of at least 1% (on a fully diluted and, if applicable, as converted basis) of the Company. Each Stockholder shall also agree to be bound by such lock-up agreements (not to exceed a period of 180 days following the effective date of a registration statement of the Company filed under the Securities Act) as the managing underwriter of any such registration shall reasonably specify as a requirement to any such underwriting.

## Article III
## CO-SALE RIGHTS

III.1 **Obligation to Sell**. In the event that the Board of Directors of the Company and Stockholders holding at least a 60% of the outstanding shares of Capital Stock, (collectively, the "Selling Holders"), approve either:

(a) a transaction or series of related transactions in which an unrelated third-party, or a group of related third-parties unaffiliated with any Stockholders, acquires from Stockholders of the Company shares of Capital Stock representing at least a majority of the outstanding voting power of the Company ("Stock Sale"), or

(b) a transaction that qualifies as a Liquidation Event, (such events described in subsections (a) and (b) are each referred to in this Agreement as a "Sale of the Company"), then each Stockholder hereby agrees with respect to all Capital Stock held by such Stockholder and any other securities of the Company over which such Stockholder otherwise exercises dispositive power, as follows:

(i) if such Sale of the Company requires Stockholder approval, with respect to all shares of Capital Stock that such Stockholder owns or over which such Stockholder

otherwise exercises voting power, to vote (in person, by proxy, or by action by written consent, as applicable) all such shares of Capital Stock in favor of, and adopt, such Sale of the Company (together with any related amendment to the Certificate in order to implement the Sale of the Company) and to vote in opposition to any and all other proposals that could reasonably be expected to delay or impair the ability of the Company to consummate such Sale of the Company;

(ii) if the Sale of the Company is structured as a Stock Sale, to sell the same proportion of shares of Capital Stock of the Company held (whether directly, indirectly, or beneficially) by such Stockholder as is being sold by the Selling Holders to the unrelated third party to whom the Selling Holders propose to sell their respective shares of Capital Stock, and, except as permitted in Section 3.2 below, on the same terms and conditions as the Selling Holders;

(iii) to execute and deliver all related documentation and take such other action in support of such Sale of the Company as shall reasonably be requested by the Company or the Selling Holders in order to carry out the terms and provisions of this Section, including without limitation executing and delivering instruments of conveyance and transfer, and any purchase agreement, merger agreement, indemnity agreement, escrow agreement, consent, waiver, governmental filing, share certificates duly endorsed for transfer (free and clear of impermissible liens, claims, and encumbrances), and any similar or related documents;

(iv) not to deposit, nor cause any Affiliates to deposit, except as provided in this Agreement, any shares of Capital Stock of the Company owned by such party or Affiliate in a voting trust or subject any shares of Capital Stock to any arrangement or agreement with respect to the voting of such shares of Capital Stock, unless specifically requested to do so by the acquiror in connection with the Sale of the Company;

(v) to refrain from exercising any dissenters' rights or rights of appraisal under applicable law at any time with respect to such Sale of the Company; and

(vi) if the consideration to be paid in exchange for the shares of Capital Stock pursuant to this Section 3.1 includes any securities, and the due receipt thereof by any Stockholder would require under applicable law (x) the registration or qualification of such securities or of any person as a broker or dealer or agent with respect to such securities or (y) the provision to any Stockholder of any information other than such information as a prudent issuer would generally furnish in an offering made solely to "accredited investors" as defined in Regulation D promulgated under the Securities Act, the Company may cause to be paid to any such Stockholder in lieu thereof, against surrender of the shares of Capital Stock which would have otherwise been sold by such Stockholder, an amount in cash equal to the fair value (as determined in good faith by the Company) of the securities which such Stockholder would otherwise receive as of the date of the issuance of such securities in exchange for the shares of Capital Stock.

III.2 **Consummation of Sale**. The consideration to be received by a Stockholder in connection with a Sale of the Company consummated in accordance with the terms of this Article III, shall be the same form and amount of consideration per share of Capital Stock to be

received by the Selling Holders in such Sale of the Company (or, if the Selling Holders are given an option as to the form and amount of consideration to be received, the same option shall be given). Each Stockholder shall make or provide the same representations, warranties, covenants, indemnities, and agreements as the Selling Holders make or provide in connection with the Sale of the Company (except that in the case of representations, warranties, covenants, indemnities, and agreements pertaining specifically to a separate Stockholder, such Stockholder shall make the comparable representations, warranties, covenants, indemnities, and agreements pertaining specifically to itself); provided, that all representations, warranties, covenants, and indemnities shall be made by each Stockholder severally and not jointly, and any indemnification obligation shall be pro rata based on the consideration received by the Stockholder, in each case in an amount not to exceed the aggregate proceeds received by each such Stockholder in connection with the Sale of the Company (except in the case of potential liability for fraud or willful misconduct by such Stockholder).

III.3 **Fees and Expenses**. The fees and expenses of each Stockholder incurred in connection with a Sale of the Company and for the benefit of all Stockholders (it being understood that costs incurred by or on behalf of a Selling Holder for its sole benefit shall not be considered to be for the benefit of all Stockholders), to the extent not paid or reimbursed by the Company or the unrelated third party purchaser, shall be shared by all the Stockholders on a pro rata basis, based on the aggregate consideration received by each Stockholder; provided, that no Stockholder shall be obligated to make or reimburse any out-of-pocket expenditure prior to the consummation of the Sale of the Company.

## Article IV
## VOTING AND CORPORATE GOVERNANCE

IV.1 **Voting Agreement**. Each Stockholder agrees to vote, or cause to be voted, all shares of Capital Stock owned by such Stockholder, or over which such Stockholder has voting control, from time to time and at all times, in whatever manner as shall be necessary to produce the following effect:

(a) to ensure that the size of the Board of Directors initially shall consist of two (2) members; and

(b) at each annual or special meeting of Stockholders at which an election of directors is held or pursuant to any written consent of the Stockholders, the following persons shall be elected to the Board of Directors: (i) one (1) individual shall be designated by Jason R. Silberschlag, which initially shall be Jason R. Silberschlag; and (ii) one (1) individual shall be designated by Amy E. Silberschlag, which initially shall be Amy E. Silberschlag.

IV.2 **Failure to Designate Board Member**. Each Stockholder agrees that in the absence of any designation from any Persons with the right to designate a member of the Board as specified above, the member of the Board previously designated by such Person and then serving shall be reelected if still eligible to serve as provided herein.

IV.3 **Removal of Board Members**. Each Stockholder also agrees to vote, or cause to be voted, all shares of Capital Stock owned by such Stockholder, or over which such Stockholder

has voting control, from time to time and at all times, in whatever manner as shall be necessary to ensure that:

(a) no member of the Board elected pursuant to Section 4.1 of this Agreement may be removed from office unless such removal is directed or approved by the affirmative vote of the Person entitled under Section 4.1(b) to designate that member of the Board;

(b) any vacancies created by the resignation, removal, or death of a member of the Board elected pursuant to Section 4.1 or 4.2 shall be filled pursuant to the provisions of this Article IV; and

(c) upon the written direction of the Person entitled to designate a member of the Board (as provided in Section 4.1(b)) to remove from the Board one or more of its members designated by such Person, such designated member shall be removed.

All Stockholders agree to execute any written consents required to perform the obligations set forth in Article IV of this Agreement, and the Company agrees at the request of any Person entitled to designate one or more members of the Board to call a special meeting of Stockholders for the purpose of electing directors.

IV.4 **No Liability for Election of Recommended Directors**. Neither Stockholder, nor any Affiliate of any Stockholder, shall have any liability as a result of designating a person for election as a director or for any act or omission by such designated person in his or her capacity as a member of the Board, nor shall any Stockholder have any liability as a result of voting for any such designee in accordance with the provisions of this Agreement.

IV.5 **Approval of the Board of Directors**. The approval of the Board of Directors shall be required for the Company to do any of the following, either directly or by amendment, merger, consolidation, or otherwise:

(a) create or authorize the creation of or issue any other security convertible into or exercisable for any equity security or increase the authorized number of shares of Capital Stock;

(b) issue, sell, or grant any equity interest in the Company (including securities convertible into equity securities in the Company), including any options, warrants, stock appreciation rights, phantom stock, rights to an interest in profits, or any similar rights or any rights (whether contractual or otherwise) to obtain any equity interest in the Company;

(c) incur by the Company of any debt, secured or unsecured, direct or contingent (including guaranteeing any obligation) outside of trade payables incurred in the ordinary course of business;

(d) commence any lawsuit or legal proceeding with respect to the Company; or

(e) establish any committee of directors as the Board shall deem appropriate from time to time.

IV.6 **Major Decisions**. The approval of the Stockholders holding at least a 60% of the outstanding shares of Class A Common Stock shall be required for the Company to do any of the following, either directly or by amendment, merger, consolidation, or otherwise:

(a) merging or consolidating the Company with another Person;

(b) selling all or substantially all of the Company's assets;

(c) commencing any bankruptcy petition with respect to the Company;

(d) amending, altering, or repealing any provision of the Company's Certificate of Incorporation or Bylaws;

(e) doing any act outside the Company's course of ordinary Business; or

(f) doing any act for which this Agreement specifically requires the consent of the Stockholders or which would make it impossible or unreasonably burdensome to carry on the business of the Company.

IV.7 **"Bad Actor" Matters**.

(a) Each Person with the right to designate or participate in the designation of a director pursuant to this Agreement hereby represents that none of the "bad actor" disqualifying events described in Rule 506(d)(1)(i)-(viii) promulgated under the Securities Act (a "Disqualification Event") is applicable to such Person or any of its Rule 506(d) Related Parties, except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable. For purposes of this Agreement, "Rule 506(d) Related Party" shall mean with respect to any Person any other Person that is a beneficial owner of such first Person's securities for purposes of Rule 506(d) of the Securities Act.

(b) Each Person with the right to designate or participate in the designation of a director pursuant to this Agreement hereby agrees that it shall notify the Company promptly in writing in the event a Disqualification Event becomes applicable to such Person or any of its Rule 506(d) Related Parties, except, if applicable, for a Disqualification Event as to which Rule 506(d)(2)(ii) or (iii) or (d)(3) is applicable.

## Article V
## REMEDIES

V.1 **Covenants of the Company**. The Company agrees to use its best efforts, within the requirements of applicable law, to ensure that the rights granted under this Agreement are effective and that the parties hereto enjoy the benefits of this Agreement. Such actions include, without limitation, the use of the Company's best efforts to cause the nomination and election of the members of the Board as provided in this Agreement.

V.2 **Irrevocable Proxy**

. Each Stockholder hereby constitutes and appoints the secretary of the Company with full power of substitution, as the proxy of such Stockholder with respect to the matters set forth herein, including without limitation, (a) the Stockholder's obligation to vote such Stockholder's shares of Capital Stock in favor of a Sale of the Company, to the extent necessary to carry out the terms and provisions in Article III, and (b) the election of persons as members of the Board in accordance with Article IV hereto, and hereby authorizes the secretary of the Company to represent and to vote, if and only if such Stockholder (i) fails to vote or (ii) attempts to vote (whether by proxy, in person, or by written consent), in a manner which is inconsistent with the terms of this Agreement, all of such Stockholder's shares of Capital Stock in favor of the election of persons as members of the Board determined pursuant to and in accordance with the terms and provisions of this Agreement. The proxy granted pursuant to the immediately preceding sentence is given in consideration of the agreements and covenants of the Company and the parties in connection with the transactions contemplated by this Agreement and, as such, is coupled with an interest and shall be irrevocable unless and until this Agreement terminates or expires pursuant to Section 6.17 hereof. Each party hereto hereby revokes any and all previous proxies with respect to the shares of Capital Stock and shall not hereafter, unless and until this Agreement terminates or expires pursuant to Section 6.17 hereof, purport to grant any other proxy or power of attorney with respect to any of the shares of Capital Stock, deposit any of the shares of Capital Stock into a voting trust, or enter into any agreement (other than this Agreement), arrangement, or understanding with any Person, directly or indirectly, to vote, grant any proxy, or give instructions with respect to the voting of any of the Shares, in each case, with respect to any of the matters set forth herein. THE PROXIES GRANTED IN THIS SECTION ARE PROXIES COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE THROUGHOUT THE TERM OF THIS AGREEMENT.

V.3 **Specific Enforcement**

. Each Stockholder acknowledges and agrees that each Stockholder shall be irreparably damaged in the event any of the provisions of this Agreement are not performed by the parties hereto in accordance with their specific terms or are otherwise breached. Accordingly, it is agreed that each of the Company and the Stockholders shall be entitled to an injunction to prevent breaches of this Agreement, and to specific enforcement of this Agreement and its terms and provisions in any action instituted in any court of the United States or any state having subject matter jurisdiction.

V.4 **Remedies Cumulative**

. All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

## Article VI
## MISCELLANEOUS

VI.1 **No Right of Employment**. No Stockholder shall have any right of employment or other benefits, or any right to be a director or officer of the Company, solely as a consequence of owning Capital Stock in the Company. Each Stockholder who is a director or officer of the Company acknowledges that, if the Board of Directors determines that salary or other

compensation (other than dividends) shall be paid to any director or officer of the Company, the Company shall be under no obligation to pay each other director or officer a proportionate share of such salary or compensation.

VI.2 **Filing of Agreement**. A copy of this Agreement, as amended from time to time, shall be filed with and retained by the secretary of the Company.

VI.3 **Company Designee**. All rights granted to the Company by the terms of this Agreement may be exercised by such Person or Persons as the Board of Directors of the Company, in its sole and absolute discretion, shall designate acting by vote or written consent.

VI.4 **Endorsement of Stock Certificates**. All certificates representing shares of Capital Stock owned by the Stockholders shall have conspicuously endorsed thereon a legend substantially as follows:

**TRANSFER RESTRICTED**

THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "ACT") OR ANY OTHER FEDERAL OR STATE SECURITIES LAWS, AND MAY NOT BE OFFERED, SOLD, TRANSFERRED, ASSIGNED, PLEDGED, HYPOTHECATED, OR SUBJECT TO ANY OTHER DISPOSITION EXCEPT (I) UPON AN EFFECTIVE REGISTRATION THEREOF UNDER THE ACT AND ANY APPLICABLE FEDERAL OR STATE SECURITIES LAWS, OR (II) SATISFACTION OF AN EXEMPTION FROM REGISTRATION FOR RESALES UNDER ANY APPLICABLE FEDERAL OR STATE SECURITIES LAWS, AND THE COMPANY HAS RECEIVED AN OPINION OF COUNSEL, SATISFACTORY TO THE COMPANY AND ITS COUNSEL, THAT SUCH REGISTRATION IS NOT REQUIRED DUE TO AN EXEMPTION FROM REGISTRATION. ANY DISPOSITION IS SUBJECT TO ACCEPTANCE BY THE COMPANY OF SUCH DOCUMENTATION AS IS SATISFACTORY TO THE BOARD OF DIRECTORS OR ITS DELEGATE OR OTHERWISE REQUIRED UNDER THE COMPANY'S GOVERNING TERMS.

THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO RESTRICTIONS UPON TRANSFER PURSUANT TO A STOCKHOLDERS' AGREEMENT BY AND AMONG THE COMPANY AND ITS STOCKHOLDERS, AS MAY BE AMENDED FROM TIME TO TIME. A COPY OF THE STOCKHOLDERS' AGREEMENT MAY BE OBTAINED FROM THE COMPANY WITHOUT CHARGE UPON THE WRITTEN REQUEST OF THE HOLDER HEREOF. NO

TRANSFER, SALE, ASSIGNMENT, PLEDGE, HYPOTHECATION, OR OTHER DISPOSITION OF THE SHARES REPRESENTED BY THIS CERTIFICATE MAY BE MADE EXCEPT IN ACCORDANCE WITH THE PROVISIONS OF SUCH STOCKHOLDERS' AGREEMENT.

VI.5 **Closing**. Except as otherwise provided herein, whenever the Company elects to purchase Capital Stock pursuant to this Agreement, the Company shall give written notice of the election to accept an offer, specifying therein the date and place for the closing of the applicable sale, which closing shall occur no later than 30 days following such election. If the Company (or its designee) has elected to purchase Capital Stock, all closings shall take place simultaneously and the closing date for the sale shall be the later of the dates chosen by the Company. In the event that the purchase of the Capital Stock is not consummated through no fault of the selling party on or before the closing date determined in accordance with the provisions hereof, the right of any party failing to purchase such Capital Stock hereunder on such occasion shall expire.

VI.6 **Payment for Stock**. All payments hereunder shall be made in cash, by certified cashier's or bank check, or by wire transfer of immediately available funds to the account designated in writing by the applicable transferee. To the extent that the proposed consideration to be paid by any proposed transferee as described in a Transfer Notice pursuant to Section 2.2 consists of property other than cash, and the Company provides the requisite written consent with respect to such non-cash consideration, the purchase price under Section 2.2 of this Agreement may (in the sole and absolute discretion of the Company) be paid in cash in lieu of the fair market value, as determined in good faith by the Board, of such non-cash consideration.

VI.7 **Delivery of Capital Stock and Documents**. Upon the closing of a sale as herein provided, the seller shall deliver to each purchaser in exchange for payment of the purchase price: (a) the certificates for the Capital Stock being sold, endorsed for transfer and bearing any necessary documentary stamps; and (b) such assignments, certificates of authority, tax releases, consents to transfer, instruments and evidence of title of the seller, and of seller's compliance with applicable state and federal law, as may be reasonably required by counsel for each such purchaser.

VI.8 **Entire Agreement**. This Agreement (including the Recitals, Schedules, and Exhibits hereto, if any) and the Certificate constitute the full and entire understanding and agreement between the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties are expressly canceled.

VI.9 **Pronouns**. Whenever the context of this Agreement permits, the masculine gender shall include the feminine and neutral genders, and any reference to the singular or plural shall be interchangeable with the other.

VI.10 **Severability**. The invalidity or unenforceability of any one or more provisions of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if any such invalid or unenforceable provisions were omitted.

VI.11 **Headings**. The headings in this Agreement have been inserted for convenience of reference only and shall not constitute a part of this Agreement.

VI.12 **Adjustments**. If there shall be any change in the Capital Stock of the Company through merger, consolidation, reorganization, recapitalization, stock dividend, stock split, anti-dilution addition, combination, or exchange of shares, or the like (any such event being an "Adjustment"), all of the terms and provisions of this Agreement shall apply to any new, additional, or different shares or securities issued as a result of such Adjustment and the price and number of securities subject to the provisions hereof shall be adjusted accordingly.

VI.13 **Notices**. All notices, requests, demands, and other communications under this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of service if served personally on the party to whom notice is to be given, (b) on the date of transmittal of services via facsimile or email to the party to whom notice is to be given if delivered by electronic transmission (provided there has been no "bounceback" or other evidence the transmission was not received by the intended recipient), or (c) on the third day after mailing if mailed to the party to whom notice is to be given, by first class mail, registered or certified, postage prepaid, or via a nationally recognized overnight courier providing a receipt for delivery and properly addressed as set forth on Schedule I hereto if sent by mail. Any party may change its address, facsimile number, or email address for purposes of this paragraph by giving notice of the new contact information to each of the other parties in the manner set forth above. Stockholder expressly consents to receive via electronic transmission at the email address set forth on the signature page or Joinder Agreement hereto any notice, request, demand, or other communication deliverable to Stockholder in such Stockholder's capacity as a stockholder under this Agreement, the Company's Certificate of Incorporation, the Company's Bylaws, or any other agreement related to such Stockholder's relationship with the Company.

VI.14 **Binding Effect**. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, representatives, successors, and assigns.

VI.15 **Parties**. Any Person who acquires ownership of Capital Stock (including shares of Capital Stock hereafter issued) including, without limitation, any transferee by operation of law, shall automatically become a party to this Agreement, as a Stockholder (as determined by the Company's Board of Directors), and shall confirm such fact by executing, upon request of any of the parties hereto, a Joinder Agreement in the form attached hereto as Exhibit A. The Company shall undertake not to issue shares of Capital Stock except, if as a condition to such issuance, the transferee becomes a party to this Agreement, such purchaser or transferee to evidence his or her agreement to be so bound by executing a Joinder Agreement.

VI.16 **Failure to Comply with the Provisions of this Agreement**. In addition to any other legal or equitable remedies which it or they may have, the Company and the Stockholders may enforce their rights under any provision of this Agreement by actions for specific performance (to the extent permitted by law) and each party hereto acknowledges and agrees that the parties hereto shall be irreparably damaged in the event that this Agreement is breached. Further, the Company may refuse to transfer on its books record ownership of Capital Stock which shall have been sold or transferred in violation of this Agreement or to recognize any transferee as one of the Company's Stockholders for any purpose (including without limitation,

for purposes of dividend and voting rights) until all applicable provisions of this Agreement have been complied with in full. All remedies provided by this Agreement are in addition to other remedies provided by law.

VI.17 **Waiver, Amendment, and Termination**. This Agreement may not be amended or modified, and no provision hereof may be waived, without the written consent of the Company and those Stockholders holding at least a 60% of the shares of Capital Stock subject to this Agreement. However, the Company and the Stockholders may not make any amendment to this Agreement that is inconsistent with the provisions of the Certificate. Any amendment, waiver, discharge, or termination effected as provided above shall be binding upon the Company, upon each Stockholder then holding shares of Capital Stock (or applicable Stock Equivalents) or any successor securities, and upon each future holder of those shares of Capital Stock (or applicable Stock Equivalents), and upon their respective successors and permitted assigns whether or not that Person, assignee, or other Stockholder entered into or approved the pertinent amendment, waiver, discharge, or termination. Each Stockholder acknowledges that by operation of this Section, the Stockholders that own more than the minimum number of shares of Capital Stock as provided above have the right and power to diminish or eliminate all rights of a Stockholder under this Agreement. The Company must give prompt written notice of any amendment, modification, or termination of this Agreement, or any waiver under any provision of this Agreement, to any party to this Agreement that did not consent in writing to that amendment, modification, termination, or waiver. Except for those provisions that expressly survive termination of this Agreement, this Agreement shall terminate with respect to all shares of Capital Stock (and applicable Stock Equivalents) upon the earlier of: (a) the closing of a Qualified Public Offering; (b) immediately upon the closing of a transaction resulting in a Liquidation Event of the Company; (c) the consummation of any transaction in accordance with the provisions of Section 3.1 hereof; (d) the date on which a single Stockholder becomes the owner of all of the shares of Capital Stock of the Company which are then subject to this Agreement; or (e) immediately before the date on which the Company or its successor becomes a reporting entity under Section 12(g) of the Exchange Act. No expiration or termination of this Agreement shall relieve any Person of any liability for a prior breach or default under this Agreement and shall not affect any right or remedy existing under this Agreement before the effective date of its expiration or termination. Any Stockholder that validly transfers all of its shares of Capital Stock shall cease to be a party to this Agreement and shall have no further rights under this Agreement.

VI.18 **Counterparts**. This Agreement may be executed in multiple counterparts, each of which shall have the force and effect of an original and all of which together shall constitute but one and the same document.

VI.19 **Governing Law**. This Agreement shall be exclusively governed by and construed in accordance with the laws of the state of Delaware for all purposes and in all respects, without regard to the conflict of laws provisions of such state.

VI.20 **Venue**. The parties (a) hereby irrevocably and unconditionally submit to the exclusive jurisdiction of the state courts of Arizona in Maricopa County and to the jurisdiction of the United States District Court for the District of Arizona in Maricopa County for the purpose of any suit, action, or other proceeding arising out of or based upon this Agreement, (b) agree not to

commence any suit, action, or other proceeding arising out of or based upon this Agreement except in the state courts of Arizona in Maricopa County or the United States District Court for the District of Arizona in Maricopa County, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action, or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action, or proceeding is brought in an inconvenient forum, that the venue of the suit, action, or proceeding is improper, or that this Agreement or the subject matter hereof may not be enforced in or by such court.

VI.21 **Mandatory Mediation**. Before a Stockholder may file suit against another Stockholder of the Company, one or more members of the Board of Directors, or the Company alleging a breach of this Agreement or other claim for damages arising from the operation of the Company, the parties shall complete a mediation hearing before a mutually agreeable mediator in Phoenix, Arizona. A mediation shall be initiated by the delivery of written notice by a Stockholder to the Company and other Stockholders or by the Company to the Stockholders briefly identifying a dispute and demanding mediation pursuant to this Section 6.21. The Stockholders shall cooperate with each other to promptly identify a mutually agreeable mediator in Phoenix, Arizona to hear the dispute. Time is of the essence with respect to the resolution of any disputes between the Stockholders or between a Stockholder and the Company. The party alleging a breach of this Agreement or any other claim for damages against the other party in connection with the operation of the Company shall promptly submit a short statement (not to exceed five pages) to the selected mediator and the other party/parties setting forth the subject of the dispute and the relief requested. The responding party shall have an opportunity to provide the mediator and the other party/parties with a short statement (not to exceed five pages) responding to the alleging party's statement. The mediation shall be "Complete" when the parties have participated, in person, in a mediation hearing, before the mutually selected mediator for at least eight hours or, if in the reasonable opinion of the mediator the dispute cannot be resolved by mediation, the time period required by the mediator. The parties shall cooperate with one another in selecting a neutral mediator and in scheduling the mediation proceedings. The parties covenant that they shall use commercially reasonable efforts in participating in the mediation. The parties agree that the mediator's fees and expenses and the costs incidental to the mediation shall be shared equally between the parties. The parties further agree that all offers, promises, conduct, and statements, whether oral or written, made in the course of the mediation by any of the parties, their agents, employees, experts, and attorneys, and by the mediator are confidential, privileged, and inadmissible for any purpose, including impeachment, in any litigation, arbitration, or other proceeding involving the parties, provided that evidence that is otherwise admissible or discoverable shall not be rendered inadmissible or non-discoverable as a result of its use in the mediation.

VI.22 **Consent of Spouse**. If any Stockholder holding Class A Common Stock is married on the date of this Agreement, such Stockholder's spouse shall execute and deliver to the Company a consent of spouse in the form of Exhibit B hereto ("Consent of Spouse"), effective on the date hereof. Notwithstanding the execution and delivery thereof, such consent shall not be deemed to confer or convey to the spouse any rights in such Stockholder's shares of Capital Stock that do not otherwise exist by operation of law or the agreement of the parties. If any Stockholder holding Class A Common Stock should marry or remarry subsequent to the date of this Agreement, such Stockholder shall within 30 days thereafter obtain his/her new spouse's

acknowledgement of and consent to the existence and binding effect of all restrictions contained in this Agreement by causing such spouse to execute and deliver a Consent of Spouse acknowledging the restrictions and obligations contained in this Agreement and agreeing and consenting to the same. The failure of a Stockholder holding Class A Common Stock to provide the Consent of Spouse in accordance with this Section 6.22 shall be deemed a material breach of this Agreement.

VI.23 **Confidentiality**. Each Stockholder agrees that such Stockholder shall keep confidential and shall not disclose, divulge, make accessible to anyone, or use any confidential, proprietary, or secret information of the Company which such Stockholder may obtain from the Company pursuant to this Agreement, or pursuant to any rights granted hereunder, or otherwise, unless such information is known or becomes known to the public through no wrongful act or omission of any Stockholder or its permitted designees or representatives; provided, however, that a Stockholder may disclose confidential information: (a) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its equity interest in the Company; (b) to any prospective Permitted Transferee of the shares of Capital Stock of the Company, so long as the prospective Permitted Transferee agrees to be bound by the provisions of this Section 6.23; (c) to any Affiliate of such Stockholder, so long as such Affiliate agrees to be bound by the provisions of this Section 6.23; or (d) as may otherwise be required by law, provided that the Stockholder promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure. For purposes of this Section, "confidential, proprietary, or secret information" shall mean data and information relating to the Company and which has material value to the Company and is not generally known to its competitors or which is marked confidential; provided, however, "confidential, proprietary, or secret information" does not include any data or information that has been voluntarily disclosed to the public by the Company or that has been independently developed and disclosed by others, or that otherwise enters the public domain through lawful means.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**IN WITNESS WHEREOF**, the Company and the undersigned Stockholders have executed this Stockholders' Agreement as of the date first above written.

**COMPANY:**

**CARTEL COFFEE LAB, INC.,**
a Delaware corporation

By:_____
Jason R. Silberschlag, Chief Executive Officer

**HOLDERS OF CLASS B COMMON STOCK:**

All holder of Class B Common Stock admitted as Stockholders of the Company, pursuant to powers of attorney now and hereafter executed in favor of, and granted and delivered to, Jason R. Silberschlag

By: _____
Jason R. Silberschlag

SIGNATURE PAGE
TO
STOCKHOLDERS' AGREEMENT
BY AND AMONG
CARTEL COFFEE LAB, INC.
AND
STOCKHOLDERS

The undersigned hereby executes and delivers the Stockholders' Agreement (the "Agreement") to which this Signature Page is attached effective as of the date of the Agreement, which Agreement and Signature Page, together with all counterparts of the Agreement and Signature Pages of the other parties named in the Agreement, shall constitute one and the same document in accordance with the terms of the Agreement.

**STOCKHOLDER:**

_____
Amy E. Silberschlag

Agreed and Acknowledged:

CARTEL COFFEE LAB, INC.,
a Delaware corporation

By:_____
Jason R. Silberschlag, Chief Executive Officer

SIGNATURE PAGE
TO
STOCKHOLDERS' AGREEMENT
BY AND AMONG
CARTEL COFFEE LAB, INC.
AND
STOCKHOLDERS

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**STOCKHOLDER:**

_____
Jason R. Silberschlag

Agreed and Acknowledged:

CARTEL COFFEE LAB, INC.,
a Delaware corporation

By:_____
Jason R. Silberschlag, Chief Executive Officer

SIGNATURE PAGE
TO
STOCKHOLDERS' AGREEMENT
BY AND AMONG
CARTEL COFFEE LAB, INC.
AND
STOCKHOLDERS

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**STOCKHOLDER:**

_____
Christopher James Miller

Agreed and Acknowledged:

CARTEL COFFEE LAB, INC.,
a Delaware corporation

By:_____
Jason R. Silberschlag, Chief Executive Officer

# EXHIBIT A

## FORM OF JOINDER AGREEMENT

The undersigned acknowledges intent to purchase shares of capital stock of **CARTEL COFFEE LAB, INC.**, a Delaware corporation (the "Company"). Reference is made to that certain Stockholders' Agreement, dated as of July 17, 2025 (the "Stockholders' Agreement"), by and among the Company and the Stockholders as defined therein, as amended from time to time. The undersigned further acknowledges that such purchase is subject to the joinder by the undersigned to the Stockholders' Agreement, which provides significant benefits to the undersigned, the Company, and the Stockholders. Accordingly, pursuant to Section 6.15 of the Stockholders' Agreement, the undersigned hereby irrevocably and unconditionally agrees that, he, she, or it, as the case may be, has as of the date hereof become a party to the Stockholders' Agreement in the capacity as a "Stockholder," with all the attendant rights and obligations thereof, and with the same force and effect as though he or she, as the case may be, had originally been a signatory thereto.

Dated: _____

**If a legal entity or trust:**

Entity Name: _____

Sign Name:_____
Print Name:_____
Title: _____

Address:

_____
_____

Personal Email:_____

**If an individual:**

Sign Name:_____
Print Name:_____

Address:

_____
_____

Personal Email:_____

Agreed and Acknowledged:

**CARTEL COFFEE LAB, INC.**

By:_____
Name:_____
Title:_____

**EXHIBIT B**

**FORM OF CONSENT OF SPOUSE**

The undersigned spouse ("Spouse") of the Stockholder who is a party to the Stockholders' Agreement, dated as of July 17, 2025 (the "Agreement"), with **CARTEL COFFEE LAB, INC.**, a Delaware corporation (the "Company"), hereby declares that the undersigned Spouse has read the Agreement in its entirety, and being fully convinced of the wisdom and equity of the terms of the Agreement, and in consideration of the premises and of the provisions of the Agreement, the undersigned Spouse hereby (a) expresses acceptance of the same and does agree to its provisions; (b) makes the following agreements; and (c) understands and agrees that the parties to the Agreement shall act in reliance on this Consent of Spouse. Capitalized terms used in this Consent of Spouse that are not otherwise defined herein shall have the meanings ascribed to such terms in the Agreement.

1. Spouse approves and accepts the Agreement. Any interest Spouse may have in the Capital Stock issued in either the names of Stockholder and Spouse or in the name of Stockholder alone shall be bound by the Agreement.

2. Spouse shall not cause or allow any interest Spouse may have in the Capital Stock to be transferred to any Person other than Stockholder. Spouse shall not create or permit any lien or encumbrance against any interest Spouse may have in the Capital Stock.

3. If any of the Capital Stock are offered for Transfer or deemed to be the subject of any Transfer under the Agreement, Spouse and Spouse's interest in the Capital Stock shall be bound by the terms of the Agreement, and Spouse's interest in the Capital Stock shall be offered for Transfer under the terms of the Agreement.

4. If Spouse acquires an ownership interest in the Capital Stock, the provisions of the Agreement shall be binding on Spouse, whether Spouse's interest arises as a community property interest, or upon a divorce from Stockholder, the death of Stockholder, a court decree, a right of survivorship, or as an intestate successor, heir, legatee, or otherwise.

5. On request, Spouse shall sign and deliver such documents as may be necessary to carry out the provisions of the Agreement and this Consent of Spouse. In the event of Spouse's death, the personal representatives, heirs, and devisees of Spouse are directed to do likewise.

6. Notwithstanding anything herein to the contrary, in the event of separation or dissolution of the marriage of Spouse and Stockholder (and to the extent there are sufficient assets available), Spouse's interest in the Capital Stock shall be distributed to Spouse in the form of a proportionately larger share of property other than the Capital Stock, and Stockholder shall receive all of Spouse's interest in the Capital Stock.

7. This instrument is not a present transfer or release of any rights that Spouse may have in any of the community property of his/her marriage or in any other property.

DATED as of _____.

Sign Name:_____

Print Name:_____

Spouse of:_____

**SCHEDULE I**

**STOCKHOLDERS**

[On File With The Company]

Exhibit G to Form C

*Test The Waters Materials*

COFFEE ROASTING · SUBSCRIPTION

# Award-Winning Specialty Coffee: Sourced, Roasted, Delivered, Loved

Carrel Roasting is a family-owned, Arizona-based specialty coffee roaster, proudly serving Mesa Town, Apache Junction, and Gilbert. In 2020 and 2021, we were honored to be named the Best Coffee Roaster in Arizona. Explore our coffees, subscription options, and wholesale programs.

Shop Coffee

Cookies help us deliver our services. By using our services, you agree to our use of cookies. Learn more




REASONS TO ORDER

01 **Arizona-Approved Coffee.** We roasted the Governor's Cup Arizona Coffee Competition winning coffee for Best in Show category in the years 2020 and 2021. Our coffees are roasted in small batches to ensure the highest quality and freshness.

02 **Community Owned.** We are a family-owned business that is proud to be a part of the Mesa, Gilbert, Apache Junction, and Superstition Mountains communities. In addition, we have been a member of the Queen Creek Chamber of Commerce since 2019.

03 **Around the Awards.** We have been awarded with the Best Coffee Roaster award from the Governor's Cup Arizona Coffee Competition in the years 2020 and 2021. Our coffees are roasted in small batches to ensure the highest quality and freshness.




Learn




James Hilmerding
CARREL ROASTING, OWNER & MASTER ROASTER

Born in a house full of coffee lovers in the Pacific Northwest, James Hilmerding has been roasting coffee for over 20 years. He is a Q Grader and has been a judge for the Governor's Cup Arizona Coffee Competition since 2019. James is a member of the Specialty Coffee Association of America.




Jana Hilmerding
CARREL ROASTING, COMPANY MANAGER

Born in a house full of coffee lovers in the Pacific Northwest, Jana Hilmerding has been roasting coffee for over 20 years. She is a Q Grader and has been a judge for the Governor's Cup Arizona Coffee Competition since 2019. Jana is a member of the Specialty Coffee Association of America.




Josie Daughters
CARREL ROASTING, PRINCIPAL ROASTING SPECIALIST

Josie is a self-described coffee nerd who has been roasting coffee for over 10 years. She is a Q Grader and has been a judge for the Governor's Cup Arizona Coffee Competition since 2019. Josie is a member of the Specialty Coffee Association of America.

Meet the team




## We Facilitate Community Through Coffee

Carrel Roasting is our business to help our community. All by Mesa, and Gilbert, Carrel Roasting, we do, from sourcing to roasting to delivery. Carrel Roasting is a family-owned business that is proud to be a part of Mesa, Gilbert, Apache Junction, and Superstition Mountains communities. We are honored to be named the Best Coffee Roaster in Arizona in 2020 and 2021.










Learn about us

**What's behind every cup**




Sourcing
Sourcing




Roasting
Roasting




Brewing
Brewing

Learn

## What are they saying about us?




"Carrel Roasting has become my favorite coffee roaster. I love the variety of coffees they offer and the quality is consistently excellent. I highly recommend them to anyone looking for a great cup of coffee."

— Jane Doe, Mesa, AZ

# RESERVE SHARES IN CARTEL

**AWARD-WINNING SPECIALTY COFFEE**: SOURCED, ROASTED, PACKAGED IN-HOUSE

**16 locations across Arizona and California.** Wholesale accounts, including Whole Foods, Sprouts, and MLB teams. A 12,000 sq ft production facility roasting award-winning coffee, brewing and canning cold brew, and baking. A vertically integrated specialty roaster with $9.06M in 2025.*

**TESTING THE WATERS**

Reserve now. A reservation only indicates interest.

*Past performance is not indicative of future results.

NO MONEY OR OTHER CONSIDERATION IS BEING SOLICITED, AND IF SENT IN RESPONSE, WILL NOT BE ACCEPTED. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE RECEIVED UNTIL THE OFFERING STATEMENT IS FILED AND ONLY THROUGH AN INTERMEDIARY'S PLATFORM. AN INDICATION OF INTEREST INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. "RESERVING" SECURITIES IS SIMPLY AN INDICATION OF INTEREST.

01

WHY CARTEL ROASTING

# REASONS TO RESERVE

## 01 Industry Recognized Coffee

Our Sonoran Sun Standard Cold Brew earned a silver medal (Ready to Drink) at the Global Coffee Awards, adding to two bronze medals from 2025 and a 2023 Golden Bean bronze. Featured in USA Today, Eater, LA Magazine and Phoenix Magazine.

## 02 Community-Owned

Our first crowdfunding round raised $947,925 from 684 shareholders. Since then, we've opened our ASU Campus Store and first LA flagship, and acquired Moto Deli in Encinitas.

**AWARD-WINNING COFFEE, COMMUNITY OWNERSHIP AND IN-HOUSE PRODUCTION**

Past performance is not indicative of future results.

## 03 Made In-House

A 12,000 sq ft production facility houses our roastery, cold brew and canning line, commercial bakery and warehouse. Our team has a combined 101 years in the hospitality industry.

NO MONEY OR OTHER CONSIDERATION IS BEING SOLICITED, AND IF SENT IN RESPONSE, WILL NOT BE ACCEPTED. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE RECEIVED UNTIL THE OFFERING STATEMENT IS FILED AND ONLY THROUGH AN INTERMEDIARY'S PLATFORM. AN INDICATION OF INTEREST INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. "RESERVING" SECURITIES IS SIMPLY AN INDICATION OF INTEREST.

CARTEL ROASTING CO.

# THE TEAM



**Jason Silberschlag**

Co-Founder, Director, Owner & Business Development



**Amy Silberschlag**

Co-Founder, Director, Owner & Community Development



**Jesse Pangburn**

CEO, Principal Accounting Officer



**Mercedes Infante**

Chief Operating Officer



**Kelly Ehley**

Director of Sales & Events



**Kristina Grappo**

Director of Marketing



**Jamie Miller**

Partner & Strategic Advisor

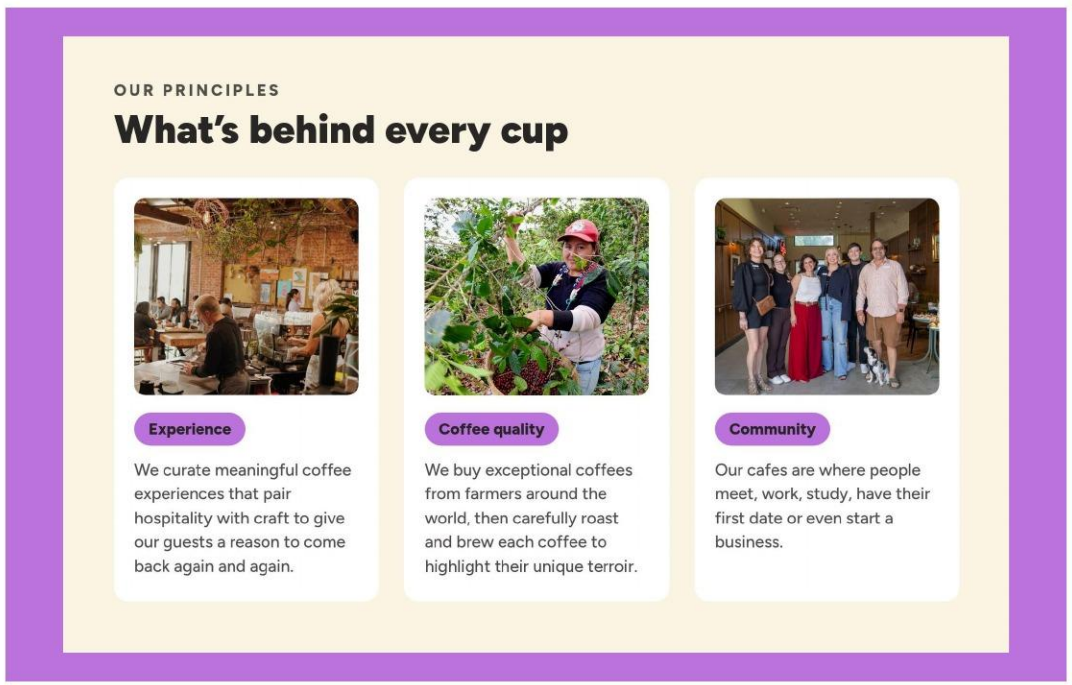
## CO-FOUNDED BY JASON & AMY SILBERSCHLAG

CEO Jesse Pangburn has more than 14 years with Cartel, and COO Mercedes Infante has 13. Together the team has a combined 101 years in the hospitality industry.

NO MONEY OR OTHER CONSIDERATION IS BEING SOLICITED, AND IF SENT IN RESPONSE, WILL NOT BE ACCEPTED. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE RECEIVED UNTIL THE OFFERING STATEMENT IS FILED AND ONLY THROUGH AN INTERMEDIARY'S PLATFORM. AN INDICATION OF INTEREST INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. "RESERVING" SECURITIES IS SIMPLY AN INDICATION OF INTEREST.

THE PITCH

# WE FACILITATE COMMUNITY THROUGH COFFEE




## FOUNDED IN TEMPE, AZ BY AMY AND JASON SILBERSCHLAG

Everything we do, from sourcing to roasting to brewing, is done with a value for transparency, community, and quality. Our goal is simple: we want to facilitate community through coffee.

NO MONEY OR OTHER CONSIDERATION IS BEING SOLICITED, AND IF SENT IN RESPONSE, WILL NOT BE ACCEPTED. NO OFFER TO BUY THE SECURITIES CAN BE ACCEPTED AND NO PART OF THE PURCHASE PRICE CAN BE RECEIVED UNTIL THE OFFERING STATEMENT IS FILED AND ONLY THROUGH AN INTERMEDIARY'S PLATFORM. AN INDICATION OF INTEREST INVOLVES NO OBLIGATION OR COMMITMENT OF ANY KIND. "RESERVING" SECURITIES IS SIMPLY AN INDICATION OF INTEREST.

PRESS

# WHAT ARE THEY SAYING ABOUT US?

"Tempe's favorite coffeehouse has a longstanding reputation as one of the best places for a cup of coffee in the Valley."
**THRILLIST**

"For coffee lovers, there's Cartel, a longtime Phoenix favorite for its specialty coffees made with roasted beans from around the world."
**EATER**

"Cartel was a natural partner for us. They've built a team (and community) of obsessive coffee enthusiasts that you can trust with all the fine details in bringing that little coffee seed to life."
**MISTOBOX, CARTEL WHOLESALE PARTNER**




**As featured in Los Angeles Magazine and Daily Coffee News.** *Testimonials may not be represent experience of others and is not a guarantee of future performance or success.

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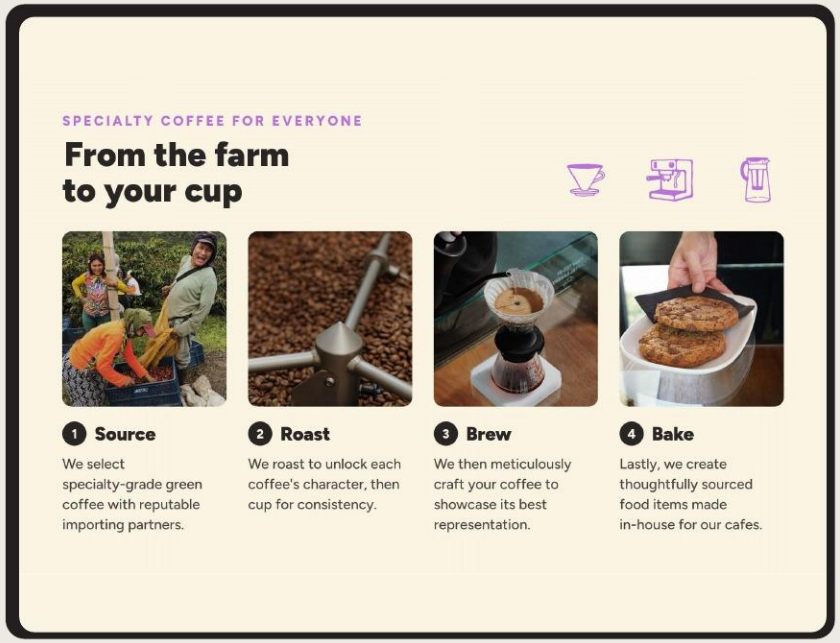
THE PROBLEM & OUR SOLUTION

# SPECIALTY COFFEE FOR EVERYONE






**SPECIALTY COFFEE CAN FEEL INTIMIDATING. WE WANT IT TO FEEL APPROACHABLE.**

Whether you're new to coffee, or make your single origin pour-over every morning, we've intentionally crafted our offerings to meet you wherever you are on your coffee journey: source, roast, brew and bake.

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OUR LOCATIONS

# LOCATION GROWTH

**16 LOCATIONS** ACROSS ARIZONA AND CALIFORNIA

**2008 › 2026**

First cafe opened in Tempe in 2008. In Palm Springs since 2018.

**In 2026:**

Los Angeles flagship opened

Acquired Moto Deli, a quick-serve restaurant in Encinitas

16

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THE MARKET & OUR TRACTION

# $9.06M IN 2025 REVENUE*




**UP FROM $8.29M IN 2024, IN A $101B GLOBAL SPECIALTY COFFEE MARKET (2024)**

We serve thousands of guests every day. Our Sonoran Sun Standard cold brew won silver (ready-to-drink) at the 2026 Global Coffee Awards, adding to bronze medals from the 2025 Global Coffee Awards and the 2023 Golden Bean Awards.

| | |
|---|---|
| **9.3M** | lifetime café transactions* |
| **30.9K+** | loyalty program customers* |
| **33.9K** | social followers* |
| **SILVER** | 2026 Global Coffee Awards, ready-to-drink cold brew |

Revenue is self reported. *As reported by the company. Social follower count as of Oct 21, 2026. Loyalty count as of Oct 22, 2026. Historical results are not indicative of future performance or success.

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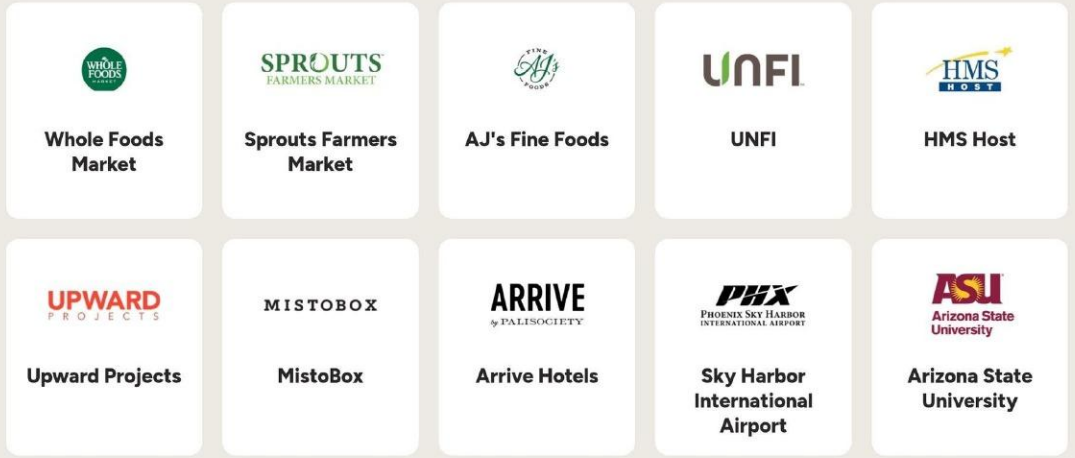
PARTNERS

# OUR CAREFULLY CHOSEN RETAIL & WHOLESALE RELATIONSHIPS

**WHOLE FOODS, SPROUTS, UPWARD PROJECTS, UNFI, ARRIVE HOTELS AND HMS AT SKY HARBOR AIRPORT**

The partners who carry Cartel also include AJ's Fine Foods, MistoBox and Arizona State University. Revenue comes from three places: cafes, e-commerce and wholesale.

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## INNOVATION & SUSTAINABILITY

# NUMILK

**MADE FRESH IN-HOUSE** IN CARTEL CAFES

**~195 TONS**

of CO2 emissions reduced since 2022*

Cartel cafés serve NuMilk, made fresh in-house, which cuts packaging waste and gives customers alternative milks without gums or fillers.

By choosing to partner with NuMilk in 2022, we estimate we've diverted 175,000 cartons from landfills and reduced CO2 emissions by roughly 195 tons.

*Estimates based on internal data and NuMilk assumptions; actual impact may vary.

**~175,000 CARTONS DIVERTED FROM LANDFILLS SINCE 2022***

175K

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GIVE BACK

# GIVE BACK BLEND








## WE SHOWCASE LOCAL ORGANIZATIONS TO OUR COMMUNITY

Through our Give Back program we highlight organizations doing meaningful work in our communities and donate a portion of the proceeds. This is a tangible way we connect our guests to organizations and causes that contribute positively to their community.

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WHY CARTEL ROASTING

# WHY RESERVE SHARES IN CARTEL ROASTING?

**A PURPOSE-DRIVEN COFFEE BRAND**

**OUR MISSION**

Shop Local. Drink Local.

We believe Cartel Roasting Co has a loyal customer base and a socially conscious mission. We are a purpose-driven coffee brand that puts people, quality, and impact first.

**SHAREHOLDERS FROM OUR FIRST CROWDFUNDING ROUND**

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CARTEL ROASTING CO.

# RESERVE NOW

This Reg CF Test the Waters offering is made available through StartEngine Primary, LLC. This potential investment is speculative, illiquid, and involves a high degree of risk, including the possible loss of your entire investment. This potential investment, if any, may be made through StartEngine Primary, LLC.

**NON-BINDING**

A reservation only indicates interest. No money changes hands, and you can cancel any time before investing.

**ADDRESS**

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TEMPE, AZ 85281
CARTELROASTING.CO




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