

<u>Provision</u>	<u>Section in Area Development Agreement</u>	<u>Summary</u>
		us, our affiliates or franchisees for 2 years following the termination of the agreement.
s. Modification of the agreement	Section 16.9	The agreement can be modified or amended only by written agreement of all of the parties.
t. Integration/merger clause	Section 16.9	All agreements between the parties are in the Area Development Agreement and its exhibits. Only the terms of the Area Development Agreement are binding (subject to state law). Any representations or promises outside of the disclosure document and Area Development Agreement may not be enforceable
u. Dispute resolution by arbitration or mediation	Section 15	Except for certain claims, all disputes must be mediated in Los Angeles, California. If not resolved by mediation, the disputes must be resolved by arbitration, subject to state law.
v. Choice of forum	Section 15	Subject to state law, except for certain claims, all disputes must be mediated in Los Angeles, California. If not resolved by mediation, the disputes must be arbitrated in Los Angeles, California, subject to state law. Unless prohibited by local law, litigation must be in Los Angeles, California. Both you and us waive the right to a trial by jury and punitive damages to the maximum extent permitted by applicable law.
w. Choice of law	Section 16.8	Subject to state law, California law applies, except for the provisions respecting Non-Competition, which are governed by local law.

**ITEM 18.
PUBLIC FIGURES**

We currently do not use any public figure to promote our franchise, nor is there any public figure involved in any respect with the actual management or control of SMCC. There is no investment by any public figure in SMCC.

**ITEM 19.
FINANCIAL PERFORMANCE REPRESENTATION**

The FTC's Franchise Rule permits a franchisor to provide information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, if there is a reasonable basis for the information, and if the information is included in the disclosure document. Financial performance information that differs from that included in Item 19 may be given only if: (1) a franchisor provides the actual records of an existing outlet you are considering buying; or (2) a franchisor supplements the information provided in this Item 19, for example, by providing information about possible performance at a particular location or under particular circumstances.

The tables below provide selected historical and unaudited financial and operating data for Company-Owned and franchised Coffee Bean Cafés in the United States fiscal year 2025.

Table 1 provides selected financial and operating data for the 35 Traditional Company-Owned Drive Thru Cafés in operation during all of fiscal year 2025.

Table 2 provides selected financial and operating data for the 69 Traditional Company-Owned non-Drive Thru Cafés in operation during all of fiscal year 2025.

Table 3 provides selected financial and operating data for the 10 Franchised Drive Thru Cafés in operation during all of fiscal year 2025.

Table 4 provides selected financial and operating data for the 11 Traditional Franchised Cafés, excluding Drive Thru Cafés, Special Distribution Cafés and Kiosks, in operation during all of fiscal year 2025.

Table 5 provides selected financial and operating data for the 43 full-service and Kiosk Special Distribution Cafés in operation during all of fiscal year 2025.

Table 6 provides selected financial and operating date for the 23 franchised Cafés operating within airports during all of fiscal year 2025.

Methodology

We have included the results of only The Coffee Bean & Tea Leaf® Cafés that were open and operating for the entirety of the 2025 fiscal year. This means we have excluded Cafés that opened during the 2025 fiscal year or otherwise did not report a full year of data to us. International locations are also excluded from the results.

The information presented is based on our unaudited financial statements and, for franchised Cafés, information included in royalty reports and other unaudited financial reports provided to us by our franchisees. We have not audited this information, nor have we otherwise verified its accuracy. Company-owned Cafés are substantially similar to the franchised Cafés offered in this Disclosure Document. However, due to factors such as quantity discounts for Coffee Bean Products and services, franchisor approval costs, reduced training and labor costs, and insurance discounts, your costs of operation may be higher than the costs incurred by our Affiliates which operate the company-owned Cafés. Your accountant can help you develop your own estimated operational costs. Further, franchisees do not consistently provide reliable COGS information and that data is not included in the tables below.

The information presented regarding past operating results for Cafés is not a full profit and loss or income statement, or statement of cash flows, and has not been audited and does not meet standards generally applicable to audited financial statements.

Definitions

“*Company-Owned Cafés*” means Coffee Bean Cafés that are owned and operated by SMCC Ireland, its affiliates, or general partnerships of which our are affiliates are partners.

“*Traditional Cafés*” are full-service Coffee Bean Cafés other than Special Distribution Cafés.

“*Special Distribution Cafés*” or “*SDS*” means Coffee Bean Cafés located at institutional settings, including hotels, airports, colleges, universities, schools, grocery Cafés, supermarkets, hospitals, military and other governmental facilities, office or in-plant food service facilities, department Cafés, duty free

shops, shopping mall food courts operated by a master concessionaire, and any venue in which food service is or may be provided by a master concessionaire or contract food service provider.

“*Drive Thru Cafés*” means a full-service Traditional Coffee Bean Café that also includes a dedicated service window or similar means for the provisions of products and services to customers remaining in their motor vehicle.

“*Kiosk*” means a Coffee Bean Café of typically less than 800 square feet, including storage and other back of house areas, with limited or no dedicated seating. Kiosks are generally located in office complexes, shopping malls or at specific street locations.

“*Gross Revenues*” is defined in the same manner as in the Franchise Agreement, namely the aggregate amount of all sales of Coffee Bean Products and other goods, services and supplies sold, made, rendered or prepared in, or in connection with, the operation of the Café, or which are promoted or sold under or using any of the Marks, including sales made at or away from the premises of the Café (if permitted), whether for cash or credit or barter (and, if for credit or barter, whether or not payment is received therefor), but excluding all tips and any Federal, state or municipal sales, use, value added or service taxes collected from customers and paid to the appropriate taxing authority.

“*COGS*” means costs of goods sold, which includes revenue spent on food and beverage products and ingredients; paper, cups and related supplies; and non-food and beverage retail products. COGS does not include other expenses such as occupancy costs (which include rent, common area maintenance, and personal property taxes), operating expenses (which include Royalty Fees, Central Marketing Fund contributions, advertising, equipment maintenance, facilities maintenance, operating & cleaning supplies, technology fees, restaurant security, pest control, credit card fees, postage & freight, utilities, and other restaurant related operating expenses), non-operating expenses (which include the costs of property and liability insurance, license & permit fees, legal fees, and other similar Café-related expenses).

Table 1

Company-Owned Drive Thru Stores			
	Total	Top 25%	Bottom 25%
Number of Stores	35	9	9
Gross Revenues			
Average	\$1,759,582	\$2,412,907	\$1,066,735
Highest	\$2,898,731	\$2,898,731	\$1,536,370
Median	\$1,766,127	\$2,419,953	\$1,045,920
Lowest	\$569,546	\$2,033,968	\$569,546
Stores Exceeding Average	18	5	4
Labor (% of Gross Revenues)			
Average	34.5%	31.7%	39.1%
Highest	52.3%	33.8%	52.3%
Median	33.3%	31.8%	36.4%
Lowest	28.9%	28.9%	34.6%
Stores Exceeding Average	14	5	4
COGS (% of Gross Revenues)			
Average	28.9%	27.5%	30.9%
Highest	34.2%	29.0%	34.2%
Median	28.7%	27.5%	31.0%
Lowest	26.1%	26.1%	27.5%
Stores Exceeding Average	15	5	5

Table 2

Company-Owned Stores (non-Drive Thru)			
	Total	Top 25%	Bottom 25%
Number of Stores	69	17	18
Gross Revenues			
Average	\$1,277,301	\$1,733,404	\$886,798
Highest	\$2,691,919	\$2,691,919	\$1,060,509
Median	\$1,264,440	\$1,613,681	\$920,669
Lowest	\$507,686	\$1,442,091	\$507,686
Stores Exceeding Average	33	6	10
Labor (% of Gross Revenues)			
Average	35.1%	31.2%	38.9%
Highest	47%	35%	47%
Median	35%	31%	39%
Lowest	29%	29%	33%
Stores Exceeding Average	31	7	10
COGS (% of Gross Revenues)			
Average	29.6%	27.8%	32.1%
Highest	38%	31%	38%
Median	29%	28%	32%
Lowest	25%	25%	28%
Stores Exceeding Average	30	9	5

Table 3

Franchised Drive Thru Stores			
	Total	Top 25%	Bottom 25%
Number of Stores	10	3	3
Gross Revenues			
Average	\$1,293,019	\$1,925,279	\$753,792
Highest	\$2,030,415	\$2,030,415	\$764,844
Median	\$1,182,184	\$2,015,237	\$755,747
Lowest	\$740,785	\$1,730,183	\$740,785
Stores Exceeding Average	4	2	2

Table 4

Traditional Franchised Stores (excluding Drive Thru Stores, Special Distributions Stores and Kiosks)			
	Total	Top 25%	Bottom 25%
Number of Stores	11	3	3
Gross Revenues			
Average	\$913,075	\$1,270,516	\$616,470
Highest	\$1,431,163	\$1,431,163	\$751,034
Median	\$860,002	\$1,297,894	\$627,152
Lowest	\$471,222	\$1,082,491	\$471,222
Stores Exceeding Average	4	2	2

Table 5

Franchised Special Distribution Cafes (including SDS Kiosks)			
	Total	Top 25%	Bottom 25%
Number of Stores	43	11	11
Gross Revenues			
Average	\$1,175,271	\$2,229,028	\$344,286
Highest	\$3,087,223	\$3,087,223	\$495,091
Median	\$1,037,244	\$2,016,599	\$387,350
Lowest	\$108,574	\$1,732,511	\$108,574
Stores Exceeding Average	16	4	7

Table 6

Franchised Airport Stores			
	Total	Top 25%	Bottom 25%
Number of Stores	15	4	4
Gross Revenues			
Average	\$1,777,636	\$2,775,678	\$747,790
Highest	\$3,087,223	\$3,087,223	\$1,242,523
Median	\$1,791,571	\$2,871,551	\$820,031
Lowest	\$108,574	\$2,272,388	\$108,574
Stores Exceeding Average	8	2	2

Some outlets have earned these amounts. Your individual results may differ. There is no assurance that you'll earn as much.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. We also do not authorize our employees or representatives to make any such representations either orally or in writing. If you are purchasing an existing outlet, however, we may provide you with the actual records of that outlet. If you receive any other financial performance information or projections of your future income, you should report it to the franchisor’s management by contacting Peter Vavra at 550 S. Hope St, Suite 2100 Los Angeles, CA 90071, (310) 237-2326, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20.
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

System-Wide Café and Kiosk Summary For Fiscal Years 2023 to 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised – Domestic*	2023	25	25	0
	2024	25	24	-1
	2025	24	22	-2
Company-Owned- Domestic**	2023	104	106	2
	2024	106	104	-2
	2025	104	98	-6
Total Outlets	2023	129	131	2
	2024	131	128	-3
	2025	128	120	-8

Table No. 1-1

System-Wide Special Distribution Café Summary For 2023 to 2025

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised (domestic)*	2023	56	51	-5
	2024	51	54	3
	2025	54	47	-7
Company-Owned**	2023	5	5	0
	2024	5	6	1
	2025	6	6	0
Total Outlets	2023	61	57	-4
	2024	57	60	4
	2025	60	53	-7

*SMCC Ireland is the franchisor for all franchised Cafés and kiosks that existed as of October 1, 2019