

<u>Provision</u>	<u>Section in Franchise Agreement</u>	<u>Summary</u>
		(subject to state law) See <a href="#"><u>Exhibit F</u></a> to this Disclosure document for state specific disclosures.
w. Choice of law	Section 17.8	Pennsylvania law applies except for matters regulated by the United States Trademark Act or to any other federal laws (subject to state law). See <a href="#"><u>Exhibit F</u></a> to this Disclosure document for state specific disclosures.

JBF is required to register the offer and sale of its franchise in various states before it is permitted to make an offer or sale. In some of those states, JBF may be required to make changes to its Franchise Agreement and/or in the disclosure document applicable in those states. Franchisees in those states will be governed by the Franchise Agreement and/or addenda to them and will be provided the required disclosures, agreements and/or addenda applicable in their particular state.

## **Item 18. PUBLIC FIGURES**

We do not use any public figure to promote JBF's Franchise or the JBF System but JBF reserves the right to do so.

## **Item 19 FINANCIAL PERFORMANCE REPRESENTATIONS**

- 1 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.
- 2 The below financial performance representation is based on the historic information of existing outlets within the JBF system. All information presented is derived from information provided to JBF by existing franchisees. The financial information presented below comes from Annual Franchisee Profit and Loss Statements (P&L's) or through information gathered from the JBF System Technology.
- 3 We ended the 2023 calendar year with 148 franchises and ended the 2024 calendar year with 146 franchises. The financial performance representation includes all units that held at least two JBF Sales Events during each referenced calendar year (i.e. 2023 or 2024). During 2023 and 2024, no franchisor owned or affiliated locations hosted JBF Sales Events or otherwise generated revenue. Accordingly, this financial performance representation does not include any franchisor owned or affiliated locations. During 2023, 4 franchised units closed. The financial performance representation for 2023 excludes 2 of the 4 units closed during 2023. During 2024, 2 franchised units closed. The financial performance representation for 2024 excludes 1 of the 2 units closed during 2024. None of the excluded units that closed during either 2023 or 2024 closed after being open less than 12 months.

- 4 This financial performance representation provides information on the Gross Sales earned by franchisees and the Gross Margin (amount available to pay expenses after Cost of Goods Sold). It does not provide information on all the costs and expenses required to operate a JBF Franchised Business. Each franchisee should do an independent investigation into the costs and expenses of JBF Sales Events in the anticipated territory.
- 5 Written substantiation pertaining to these financial performance representations is available for inspection at our principal business address and will be provided upon reasonable request.

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

*[Intentionally Blank; Item 19 financial performance representations on the following 3 pages.]*

**Table 1-6: Gross Sales**

Table 1 compares the annualized average and median Gross Sales in 2023 and 2024 for franchisees who conducted at least one JBF Sales event per season. To provide additional detail, Tables 2-5 show the top ten and bottom ten Gross Sales in 2023 and 2024 along with the region in which the franchise is located and the season of the first JBF Sales Event conducted by the franchise location. For purposes of this Item 19, “Gross Sales” means all revenue from sales conducted at, from or through the JBF Consignment Sales Business (including online sales), whether from cash, check, credit and debit card, barter exchange, trade credit, or other credit transactions, but (1) excluding all federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; (2) excluding JBF Sales Event admission fees or entry charges collected; (3) excluding booth rental fees to an approved vendor or organization for booth space at a JBF Sales Event; and (4) reduced by the amount of any documented refunds, credits and discounts the JBF Consignment Sales Business in good faith gives to customers and your employees.

**Table 1 – 2023 and 2024 Average and Median Gross Sales Comparison**

	2023	2024	\$ Variance	% Variance
<b>Average</b>	\$353,420 <i>Units met or exceeded average: 46</i>	\$376,046 <i>Units met or exceeded average: 45</i>	\$22,626	+6.4%
<b>Median</b>	\$228,939 <i>Units met or exceeded median: 70</i>	\$239,983 <i>Units met or exceeded median: 71</i>	\$11,044	+4.8%
<b>Highest</b>	\$1,940,750	\$2,186,660	\$245,911	+12.7%
<b>Lowest</b>	\$11,213	\$11,185	(\$27)	(0.2%)

**Table 2 – 2024 Top Ten Gross Sales**

	Region	First Sale	Total Gross Sales for 2024
1	Eastern	Fall 2009	\$2,186,660
2	West	Spring 2009	\$1,882,100
3	Northern	Fall 2015	\$1,868,139
4	Eastern	Spring 2009	\$1,772,835
5	Central	Spring 2015	\$1,568,248
6	Northern	Fall 2009	\$1,506,742
7	Eastern	Spring 2016	\$1,340,244
8	Southwest	Fall 2011	\$1,155,508
9	Central	Spring 2004	\$1,106,495
10	Eastern	Fall 2009	\$1,000,534

**Table 3 – 2023 Top Ten Gross Sales**

	<b>Region</b>	<b>First Sale</b>	<b>Total Gross Sales for 2023</b>
1	Eastern	Fall 2009	\$1,940,750
2	West	Spring 2009	\$1,680,859
3	Eastern	Spring 2009	\$1,610,032
4	Central	Spring 2015	\$1,515,995
5	Northern	Fall 2015	\$1,437,998
6	Eastern	Spring 2016	\$1,419,091
7	Northern	Fall 2009	\$1,413,127
8	Eastern	Spring 2014	\$1,171,073
9	Central	Spring 2004	\$1,096,010
10	Eastern	Fall 2009	\$1,000,252

**Table 4 – 2024 Bottom Ten Gross Sales**

	<b>Region</b>	<b>First Sale</b>	<b>Total Gross Sales for 2024</b>
1	Northern	Fall 2011	\$ 56,597.78
2	Southwest	Spring 2019	\$ 53,860.16
3	Northern	Fall 2022	\$ 48,515.92
4	Eastern	Spring 2024	\$ 42,804.89
5	Northern	Spring 2022	\$ 39,627.22
6	Central	Spring 2021	\$ 39,396.74
7	Eastern	Fall 2023	\$ 33,896.90
8	Eastern	Spring 2022	\$ 31,649.11
9	Central	Spring 2023	\$ 30,366.52
10	Northern	Fall 2022	\$ 11,185.87

**Table 5 – 2023 Bottom Ten Gross Sales**

	Region	First Sale	Total Gross Sales for 2023
1	Central	Spring 2012	\$60,072
2	Southwest	Fall 2019	\$59,774
3	Central	Spring 2021	\$52,519
4	Northern	Spring 2022	\$49,027
5	Northern	Fall 2022	\$39,447
6	Northern	Fall 2022	\$38,947
7	Northern	Spring 2022	\$29,741
8	Eastern	Spring 2022	\$28,284
9	Northern	Fall 2022	\$14,275
10	Western	Spring 2022	\$11,213

**Table 6: Gross Margin**

This table compares average and median franchisee Gross Margin (“GM”) from 2023 to 2024, presented as a percentage of Gross Sales. GM is a key data element for a retailer showing the amount of available cash to be used to pay expenses after the cost of goods sold. GM is calculated by deducting the cost of goods sold from Gross Sales. The cost of goods sold is the product cost, the major component of which for JBF franchisees is the amount paid to consignors for their goods sold. The GM calculations are based on information obtained from franchisee Profit and Loss Statements (“P&Ls”). Not all franchisees provided reporting to us. The 2023 calculations are based on 142 collected P&Ls, and the 2024 calculations are based on 140 collected P&Ls.

	2023	2024	Variance
Highest GM	56.8%	59.5%	+ 2.7% points
Lowest GM	18.1%	26.3%	+8.2 % points
Average GM	42.3% <i>73 Units met or exceeded average</i>	41.3% <i>71 Units met or exceeded average</i>	-1 % points
Median GM	42.5% <i>72 Units met or exceeded median</i>	41.3% <i>71 Units met or exceeded median</i>	-1.2% points

Other than the preceding financial performance representations, Just Between Friends Franchise System, Inc. does 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 Tracy Panase, CEO, Just Between Friends Franchise System, Inc., 78 Grandview Blvd, Reading, PA 19609 or 610-739-4766, and to the Federal Trade Commission, 600 Pennsylvania Avenue, NY, Washington, DC 20580 (1-8787-FTC-HELP) and to the appropriate state regulatory agency. See Exhibit D to this Disclosure Document for the names and contact information for state administrators.

## Item 20. OUTLETS AND FRANCHISEE INFORMATION

**TABLE 1**  
**SYSTEM WIDE OUTLET SUMMARY**  
**For Years 2022 - 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	153	149	-4
	2023	149	148	-1
	2024	148	146	-2
Company Owned	2022	5	11	+6
	2023	11	12	+1
	2024	12	5	-7
Total Outlets	2022	158	160	+2
	2023	160	160	0
	2024	160	151	-9