

	Provision	Section in Multi-Unit Development Agreement	Summary
			other bakery treats within 10 miles of your Development Area on or any other Duck Donuts outlet location; do any act that could damage the goodwill of the Marks or System, or disrupt or jeopardize our business or that of our franchisees.
s.	Modification of the agreement	Section 11.4	No oral modifications. No amendment of the provisions will be binding upon either party unless the amendment has been made in writing and executed by all interested parties.
t.	Integration/merger clause	Section 11.4	Only the terms of the Multi-Unit Development Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of Multi-Unit Development Agreement may not be enforceable. Notwithstanding the foregoing, nothing in the Multi-Unit Development Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u.	Dispute resolution by arbitration or mediation	Sections 10.1, 10.2, 10.3, and 10.4	At our option, claims that are not resolved internally may be submitted to non-binding mediation at our headquarters, and then to binding arbitration, excluding claims related to injunctive relief, anti-trust, the trademarks, possession of the Franchised Business premises and post-termination obligations. Subject to state law.
v.	Choice of forum	Section 10.5	Litigation takes place in Pennsylvania, subject to applicable state law.
w.	Choice of law	Section 10.5	Pennsylvania law applies, subject to applicable state law.

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

ITEM 18: PUBLIC FIGURES

We do not currently use any public figures to promote our franchise.

ITEM 19: FINANCIAL PERFORMANCE REPRESENTATIONS

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 following representation is an historic financial performance representation about our existing outlets that were in operation in calendar year 2024. As of December 31, 2024, we had 143 franchised outlets and 1 affiliate-owned outlet operating in the Duck Donuts System. The data below represent performance of 99 franchised outlets and our 1 affiliate-owned outlet, which were open as of January 1, 2024, and operated continuously throughout calendar year 2024. We have excluded 23 franchised outlets because they did not operate for the full calendar year. We have also excluded 6 food trucks which are non-traditional outlets and, and 1 arena, which are non-traditional outlets, and 13 international outlets.

**Gross Sales – Franchised Outlets
January 1 – December 31, 2024**

All Franchised Outlets (99 Outlets) – Average Gross Sales	\$537,112
All Franchised Outlets (99 Outlets) – Median Gross Sales	\$499,779
Highest Performing Franchised Outlet	\$1,350,265
Lowest Performing Franchised Outlet	\$160,020
Top 25% Performers (25 Outlets) – Average Gross Sales	\$792,152
Middle 50% Performers (49 Outlets) – Average Gross Sales	\$505,505
Bottom 25% Performers (25 Outlets) – Average Gross Sales	\$344,021

**Gross Sales – Affiliate-Owned Outlet
January 1 – December 31, 2024**

Affiliate-Owned Outlet	\$613,993
Cost as a Percentage of Gross Sales:	
Food Cost	27.4%
Labor Cost	28.9%

“Gross Sales” is defined as the total revenue derived from the sale of goods and services less sales tax and customer refunds or adjustments.

Our affiliate-owned outlet operates in substantially the same manner as franchise outlets; however, our affiliate-owned outlet is not subject to the same fees which a franchisee will experience. Item 6 of this Disclosure Document outlines the fees to which a franchisee will be subject, such as royalty fees and brand fund contributions.

Written substantiation will be made available to you upon reasonable request.

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

Other than the above disclosure, we do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. 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 Gary Hitterdal at Duck Donuts Holdings, LLC, 1215 Manor Drive, Suite 302, Mechanicsburg, Pennsylvania, 17055, or 717-590-5491, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20: OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1
System-wide Outlet Summary
For Years 2022 to 2024**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	104	111	+7
	2023	111	133	+22
	2024	133	143	+10
Company – Owned	2022	1	1	0
	2023	1	1	0
	2024	1	1	0
Total Outlets	2022	105	112	+7
	2023	112	134	+22
	2024	134	144	+10

**Table No. 2
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2022 to 2024**

State	Year	Number of Transfers
Florida	2022	2
	2023	0
	2024	0
North Carolina	2022	1
	2023	0
	2024	1
Minnesota	2022	2
	2023	2
	2024	1
Missouri	2022	0
	2023	1
	2024	0
New Jersey	2022	0
	2023	1