

Provision	Section in franchise or other agreement	Summary
t. Integration/merger clause	21.K of Franchise Agreement	<p>Only terms of Franchise Agreement and other documents you sign with us are binding (subject to state and federal law). Any representations or promises outside of the disclosure document and Franchise Agreement may not be enforceable.</p> <p>Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in this disclosure document, its exhibits, and amendments.</p>
u. Dispute resolution by arbitration or mediation	21.F of Franchise Agreement	<p>We and you must arbitrate all disputes within 10 miles of where we have our principal business address when the arbitration demand is filed (it currently is in Chicago, Illinois) (subject to applicable state law).</p>
v. Choice of forum	21.H of Franchise Agreement	<p>Subject to arbitration requirements, litigation generally must be in courts closest to where we, as franchisor, have our principal business address when the action is commenced (it currently is in Chicago, Illinois) (subject to applicable state law).</p>
w. Choice of law	21.G of Franchise Agreement	<p>Federal law and, with certain exceptions, Illinois law apply (subject to applicable state law).</p>

Item 18 **PUBLIC FIGURES**

We do not use any public figure 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 financial performance representations in the first, second and third tables reflect the average and median Annual Net Sales, Daily Net Sales and Weekly Net Sales (as we define those terms below) during the fiscal year ended December 29, 2024 (“Fiscal Year 2024”) for the NAF NAF Restaurants owned and operated by our affiliates or franchisees that were open for at least 52 consecutive weeks as of December 29, 2024. There were 32 such NAF NAF Restaurants: 16 of these Restaurants were owned and operated by our affiliates, and 16 of these Restaurants were owned and operated by our franchisees.

The financial performance representations in the last table below reflect the average and median Annual Net Sales, Cost of Goods Sold, Labor, Operating Expenses and EBITDAR during Fiscal Year 2024 for the NAF NAF Restaurants owned and operated by our affiliates that were open for at least 52 consecutive weeks as of December 29, 2024. There were 16 such NAF NAF Restaurants.

For purposes of these tables, a Restaurant will be considered to be open for 52 consecutive weeks in Fiscal Year 2024 if it was not closed greater than ten days in Fiscal Year 2024.

As of December 29, 2024, there were 21 affiliated-owned NAF NAF Restaurants in operation, and 20 franchisee-owned NAF NAF Restaurants in operations. The financial performance representations in the first, second and third tables do not include information from the following 9 of those Restaurants: (1) 5 affiliate-owned NAF NAF Restaurants (located in Illinois, Minnesota and Pennsylvania) that were not open for 52 consecutive weeks in Fiscal Year 2024; and (2) 4 franchisee-owned NAF NAF Restaurant (located in Wisconsin, Virginia, North Carolina and Tennessee) that were not open for 52 consecutive weeks in Fiscal Year 2024. The financial performance representations in the last table do not include information from 5 affiliate-owned NAF NAF Restaurants (located in Illinois, Minnesota and Pennsylvania) that were not open for 52 consecutive weeks in Fiscal Year 2024.

The 16 affiliate-owned NAF NAF Restaurants included in this financial performance representation, based in Illinois (9), Indiana (2), Minnesota (4) and New Jersey (1), are substantially similar to the NAF NAF Restaurants for which we are offering franchises in this disclosure document, and their products are the same as those to be offered and sold by franchised NAF NAF Restaurants.

2024 NET SALES
RESTAURANTS OPEN FOR 52 CONSECUTIVE WEEKS
COMPANY-OWNED

	ANNUAL NET SALES	DAILY NET SALES	WEEKLY NET SALES
COMPANY-OWNED	Average: \$1,218,791	Average: \$3,373	Average: \$23,613
	Median: \$1,227,927	Median: \$3,401	Median: \$23,810
	Highest: \$1,553,238	Highest: \$4,303	Highest: \$30,118
	Lowest: \$967,842	Lowest: \$2,681	Lowest: \$18,767

2024 NET SALES
RESTAURANTS OPEN FOR 52 CONSECUTIVE WEEKS
FRANCHISEE-OWNED

	ANNUAL NET SALES	DAILY NET SALES	WEEKLY NET SALES
FRANCHISEE-OWNED	Average: \$855,032	Average: \$2,365	Average: \$16,557
	Median: \$812,051	Median: \$2,243	Median: \$15,703

	ANNUAL NET SALES	DAILY NET SALES	WEEKLY NET SALES
	Highest: \$1,525,590	Highest: \$4,191	Highest: \$29,388
	Lowest: \$391,861	Lowest: \$1,082	Lowest: \$7,577

2024 NET SALES
RESTAURANTS OPEN FOR 52 CONSECUTIVE WEEKS
COMPANY-OWNED AND FRANCHISEE-OWNED

	ANNUAL NET SALES	DAILY NET SALES	WEEKLY NET SALES
All Company- Owned and Franchisee-Owned	Average: \$1,036,912	Average: \$2,869	Average: \$20,084
	Median: \$1,070,947	Median: \$2,958	Median: \$20,709
	Highest: \$1,553,238	Highest: \$4,303	Highest: \$30,118
	Lowest: \$391,861	Lowest: \$1,082	Lowest: \$7,577

2024 EBITDAR
RESTAURANTS OPEN FOR 52 CONSECUTIVE WEEKS
COMPANY-OWNED

FISCAL YEAR 2024	AVERAGE	PERCENT AGE OF TOTAL NET SALES	NUMBER AND PERCENTAGE OF RESTAURANTS EXCEEDING AVERAGE	MEDIAN	HIGH	LOW
Gross Net Sales	\$1,310,658	107.5%	10/16 (62.5%)	\$1,331,672	\$1,663,807	\$1,059,313
Discounts	\$(91,867)	-7.5%	6/16 (37.5%)	\$(88,270)	\$(110,569)	\$(80,139)
Annual Net Sales	\$1,218,791	100%	9/16 (56.3%)	\$1,243,403	\$1,553,238	\$979,174
Cost of Goods Sold (i.e., food, beverages, paper and inventory)	\$330,540	27.1%	10/16 (62.5%)	\$333,792	\$414,898	\$273,681
Labor (i.e., salaries, payroll, medical insurance and unemployment taxes)	\$391,734	32.1%	9/16 (56.3%)	\$396,243	\$451,337	\$352,191
Delivery Commissions (3 rd party delivery fees)	\$71,271	5.8%	8/16 (50.0%)	\$70,986	\$75,765	\$69,964

FISCAL YEAR 2024	AVERAGE	PERCENT AGE OF TOTAL NET SALES	NUMBER AND PERCENTAGE OF RESTAURANTS EXCEEDING AVERAGE	MEDIAN	HIGH	LOW
Operating Expenses (i.e., maintenance, utilities, pest control, security and other controllable expenses)	\$113,369	9.3%	9/16 (56.3%)	\$115,613	\$127,020	\$106,266
Earnings Before Interest, Taxes, Depreciation, Amortization and Rent Expense (EBITDAR)	\$311,877	25.6%	5/16 (31.3%)	\$326,771	\$484,218	\$177,072

(1) “Days Open” means the number of days during Fiscal Year 2024 that a NAF NAF Restaurant is open for business.

(2) “Effective Weeks” is equal to (i) the number of Days Open during Fiscal Year 2024, divided by (ii) 7.

(3) “Annual Net Sales” means the aggregate amount of all revenue and other consideration generated from any source, including the sale of products, services, and merchandise; other types of revenue you receive, including the proceeds of business interruption insurance; and (if we allow barter) the value of products, services, and merchandise bartered in exchange for the Restaurant’s products, services, or merchandise. Net Sales are not reduced by the amount of any discounts on products or services sold to employees, family members, or other businesses you own or control or by the amount paid to, collected by, or shared with third-party food ordering and delivery systems with which we allow the Restaurant to do business. All of those transactions must be entered into the Computer System at the full, standard retail price for purposes of calculating Net Sales. However, Net Sales exclude: (i) federal, state, or municipal sales, use, or service taxes collected from customers and paid to the appropriate taxing authority; (ii) proceeds from insurance, excluding business interruption insurance; (iii) proceeds from any civil forfeiture, condemnation, or seizure by government entities; and (iv) promotional or marketing discounts we allow. In addition, Net Sales are reduced by the amount of any credits provided in compliance with our

policies. Each charge or sale upon credit will be treated as a sale for the full price on the day the charge or sale is made, regardless of when you receive payment (whether full or partial, or at all) on that sale. Revenue from gift cards we approve for sale at NAF NAF Restaurants is included in Net Sales when the gift card is used to pay for products and services. Your Restaurant may not issue or redeem any gift certificates, coupons, or gift, loyalty, or similar cards unless we first approve in writing their form and content and your proposed issuing and honoring/redemption procedures. We may grant or withhold our approval as we deem best.

- (4) “Daily Net Sales” means Annual Net Sales, divided by Days Open.
- (5) “Weekly Net Sales” means Annual Net Sales, divided by Effective Weeks.
- (6) “EBITDAR” means Annual Net Sales, less Cost of Goods Sold, Labor, Delivery Commissions and Operating Expenses

For purposes of the last table above (2024 EBITDAR), annual franchisee expenses not encompassed in such table include the following (assuming the average and median Annual Net Sales reflected in such Table). You must consider these expenses as part of your expected operating expenses.

EXPENSE	AVERAGE	MEDIAN
Royalty (5%)	\$60,940	\$62,170
Local Marketing (2%) ¹	\$24,376	\$24,868
Brand Fund (1%)	\$12,188	\$12,434
Annual Tech Fee (fixed \$6,000)	\$6,000	\$6,000

- (1) This expense will be paid directly by you to other parties to cover the costs of local advertising, marketing and promotional programs for your Restaurant.

We expect to provide franchisees some of the services that our affiliates’ management provides to NAF NAF Restaurants that are owned by our affiliates and whose results are reflected in the last table above (2024 EBITDAR). However, we do not provide services that a NAF NAF Restaurant’s owner normally would provide, such as financing, accounting, legal, personnel/labor, construction and management services. The availability of these services to a franchisee, as well as their cost and quality, will affect operations. You must consider these expenses as part of your expected operating expenses.

Certain non-operating expenses incurred by the NAF NAF Restaurants that are owned by our affiliates are not reflected or included for purposes of the last table above (2024 EBITDAR). Such non-operating expenses include such expenses as recruiting, meals, lodging, taxi, parking, gas &

fuel, and mileage reimbursement ~~and postage/shipping~~. You must consider these expenses as part of your expected expenses when operating a NAF NAF Restaurant.

Depreciation of leasehold improvements and equipment is not included in EBITDAR. To the extent leasehold improvements are paid for and capitalized by a franchisee, these amounts are normally depreciated over the life of the lease. Equipment is normally depreciated over 3 to 5 years. Leasehold improvements are normally depreciated over 10 to 15 years depending on the lease's term.

The financing, amortization and interest costs for leasehold improvements and equipment are not included in EBITDAR. Similarly, amortization of the initial franchise fee and organization costs is not included.

Explanatory Notes

Our management prepared this financial performance representation based on restaurant-specific reports, financial statements, and other information provided by our affiliates and franchisees that we believe to be reliable. This financial performance representation was prepared without an audit. Prospective franchisees or sellers of franchises should be advised that no certified public accountant has audited these figures or expressed his/her opinion with regard to their contents or form. Written substantiation of all financial information presented in this financial performance representation will be made available to you upon reasonable request.

Some NAF NAF Restaurants have earned this amount. Your individual results may differ. There is no assurance that you will earn as much.

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 Greg Willman, Naf-Naf Franchising LLC, 720 North Franklin, Suite 4040, Chicago, Illinois 60654, (312) 858-3539, the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20
OUTLETS AND FRANCHISEE INFORMATION

All figures in the tables below are as of the last day of our fiscal year, which was December 29, 2024, December 31, 2023, and December 25, 2022. The “Company-Owned” outlets referenced in Tables 1 and 4 below are owned by one or more of our affiliates.

Table No. 1

**Systemwide Outlet Summary
For fiscal years 2022 to 2024**

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	2022	7	15	+8
	2023	15	16	+1
	2024	16	20	+4
Company-Owned	2022	22	23	+1
	2023	23	22	-1
	2024	22	21	-1
Total Outlets	2022	29	38	+9
	2023	38	38	0
	2024	38	41	+3

Table No. 2

**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For fiscal years 2022 to 2024**

Column 1 State	Column 2 Year	Column 3 Number of Transfers
All States	2022	0
	2023	0
	2024	0