

Provision	Section in Agreement	Summary
v. Choice of forum	Section 18.4 of Franchise Agreement	Litigation must be in the state in which our principal place of business is located at the time that the litigation is commenced (subject to state law).
w. Choice of law	Section 18.3 of Franchise Agreement	Michigan law applies (subject to state law).

APPLICABLE STATE LAW MAY REQUIRE ADDITIONAL DISCLOSURES RELATED TO THE INFORMATION IN THIS FRANCHISE DISCLOSURE DOCUMENT. THESE ADDITIONAL DISCLOSURES, IF ANY, APPEAR IN EXHIBIT I TO THIS FRANCHISE DISCLOSURE DOCUMENT.

TERMINATION OF THE FRANCHISE AGREEMENT ON BANKRUPTCY OR INSOLVENCY MAY NOT BE ENFORCEABLE UNDER FEDERAL BANKRUPTCY LAW (11 U.S.C. § 101 ET SEQ.).

ITEM 18—PUBLIC FIGURES

We do not use any public figure to promote our Franchises.

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 Financial Performance Representation in the below tables shows unaudited average Gross Sales derived from the actual historical performance for all Coffee Shops open during the entire 2024 calendar year. As of December 31, 2024 there were 22 open Qahwah House™ Coffee Shops. Of the total 22 Coffee Shops, 9 Coffee Shops owned by licensees of our affiliate Qahwah Trading and 2 Coffee Shops owned by our affiliates were open the entire 2024 calendar year. 1 of the 9 licensed Coffee Shops operates a “non-traditional” location inside of a catered banquet center, which operation is materially different from the franchise offered under this Disclosure Document and the other Coffee Shops represented in the below tables. On that basis, that “non-traditional” licensed Coffee Shop is not included in the historical financial performance representation in the below tables.

The table titled “Franchise Coffee Shops” shows the average historical performance during the 2024 calendar year, in aggregated form, of 8 Coffee Shops owned and operated by licensees of our affiliate Qahwah Trading that were open the entire calendar year. The table titled “Affiliate Coffee Shops” shows the average historical performance during the 2024 calendar year, in

aggregated form, of the 2 Coffee Shops owned and operated by our affiliates that were open the entire calendar year.

The tables below display the average Gross Sales performance of the franchisee and affiliate-owned Coffee Shops, how many of each met or exceeded the stated average performance, as well as the median, low and high performing Coffee Shops in each group.

Franchise Coffee Shops (Note 1)

Average Gross Sales (Note 2)	Number exceeding Average	Percentage exceeding Average	Median	Low	High
\$1,279,596	5	63%	\$1,576,539	\$477,978	\$2,058,276

Affiliate Coffee Shops

Average Gross Sales (Note 2)	Number exceeding Average	Percentage exceeding Average	Median	Low	High
\$1,258,673	1	50%	\$1,258,673	\$961,103	\$1,556,243

Notes to Tables

1. The outlets represented in the table titled “Franchised Coffee Shops” are licensees of our affiliate Qahwah Trading. Although these are not franchises, they are included because they are outlets of a type substantially similar to that offered to prospective franchisees under this Disclosure Document.
2. The term “Gross Sales” as used in the tables includes all includes all retail revenue of the Coffee Shops but does not include sales tax collected and paid to the applicable tax authorities, or the amount of any discounts or customer refunds on sales.
3. The figures for the Coffee Shops represented in the tables were taken from the “Gross Sales” reported by the represented Coffee Shops through the point-of-sale system utilized by the Qahwah House™ franchise system during the covered time period. The figures were not audited.
4. The sales information in the above tables do not reflect the actual potential net income of a Qahwah House™ Coffee Shop. There are a number of fixed and variable costs associated with the development and operation of a Qahwah House™ Coffee Shop that are not reflected in the above table and that vary among individual Coffee Shops. These expenses include but are not limited to the following: costs of inventory and supplies; labor costs; rent; costs described in Items 6 and 7 of this Franchise Disclosure Document; other occupancy costs; taxes; insurance; advertising expenses; interest or finance charges if you finance some or all of the cost of the franchise; depreciation on property and equipment; legal and accounting fees; other general administrative expenses; any pre-

opening or amortization of organization costs; costs associated with regulatory compliance; and management costs. We strongly encourage you to consult with your financial advisors in reviewing the information in this Item 19, in particular, in estimating the categories and amount of expenses you will incur in establishing and operating a Qahwah House™ Coffee Shop.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

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

Financial Information for Specific Operating Units

We may give a prospective franchisee who is seeking to buy a specific operating unit, whether owned by us, an affiliate or another franchisee, actual operating results of that unit.

We recommend that you make your own independent investigation to determine whether or not the franchise may be profitable to you. We suggest strongly that you consult your financial advisor or personal accountant concerning financial projections and federal, state and local income taxes and any other applicable taxes that you may incur in operating a Qahwah House™ Coffee Shop.

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 our management by contacting writing Ibrahim Alhasbani, Chief Executive Officer, 5320 Oakman Boulevard, Dearborn, MI 48126 (313) 467-0438, coffee@qahwahhouse.com, the Federal Trade Commission, and any appropriate state regulatory agencies.

ITEM 20—OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide 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	2	3	+1
	2023	3	9	+6
	2024	9	18	+9
Company-Owned	2022	2	2	0
	2023	2	2	0
	2024	2	4	+2
Total Outlets	2022	4	5	+1
	2023	5	11	+6
	2024	11	22	+11