

Provision	Section in Franchise or Other Agreement	Summary
		agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Article 20	Franchisee and Franchisor resolve disputes or disagreements in a non-judicial alternative dispute resolution format through arbitration.
v. Choice of forum	Article 20	Subject to applicable state law, arbitration must be in Louisiana, unless individual state law directs otherwise.
w. Choice of law	Article 20	Subject to applicable state law, Louisiana law applies, unless individual state law directs otherwise.

## **ITEM 18**

### **PUBLIC FIGURES**

Franchisor does not 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 Franchisee is 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.

New Orleans Brew, LLC does not have any company-owned Units as of January 1, 2025. An affiliate of New Orleans Brew, LLC owns thirteen (13) PJ's Units as of January 1, 2025.

#### **Historical Financial Performance Representation about PJ's Existing Units.**

##### **A. Statement of Sales, Expenses and Earnings.**

The following PJ's Unit must have (1) opened on or before January 1, 2024 and must have (2) reported actual sales, expenses and earnings for the entire one-year period ending December 31, 2024. The PJ's Units represented seven (7) of the thirteen (13) affiliate owned PJ's Units. The remaining six (6) affiliate

owned locations not represented below are five (5) non-traditional locations, and one (1) traditional location without a drive-thru.

PJ's Unit	Location 1	Location 2	Location 3	Location 4	Location 5	Location 6	Location 7	Average	
Gross Sales <sup>1</sup>	\$1,073,687	\$569,463	\$1,176,689	\$937,696	\$1,009,529	\$1,248,190	\$721,107	\$962,337	100.0%
Discounts <sup>2</sup>	(\$47,242)	(\$25,056)	(\$51,774)	(\$41,259)	(\$44,419)	(\$54,920)	(\$31,729)	(\$42,343)	-4.4%
Net Sales <sup>3</sup>	\$1,026,445	\$544,407	\$1,124,915	\$896,437	\$965,110	\$1,193,270	\$689,378	\$919,994	100.0%
Cost of Goods Sold <sup>4</sup>	\$365,054	\$193,617	\$400,074	\$318,817	\$343,240	\$424,385	\$245,176	\$327,195	34.0%
Gross Profit <sup>5</sup>	\$661,391	\$350,789	\$724,840	\$577,621	\$621,870	\$768,885	\$444,202	\$592,800	61.6%
Payroll Expense <sup>6</sup>	\$191,331	\$141,451	\$211,491	\$179,207	\$217,929	\$273,202	\$154,923	\$195,648	21.3%
Royalty Expense <sup>7</sup>	\$51,322	\$27,220	\$56,246	\$44,822	\$48,255	\$59,663	\$34,469	\$46,000	5.0%
System Fund Expense <sup>8</sup>	\$20,529	\$10,888	\$22,498	\$17,929	\$19,302	\$23,865	\$13,788	\$18,400	2.0%
Rent Expense <sup>10</sup>	\$32,281	\$49,519	\$37,452	\$39,112	\$50,292	\$87,000	\$83,873	\$54,218	5.9%
Local Store Marketing Expense <sup>11</sup>	\$15,081	\$7,635	\$12,252	\$10,874	\$21,409	\$12,591	\$13,813	\$13,379	1.5%
Professional, Technology & Licensing Expense <sup>12</sup>	\$12,830	\$12,244	\$12,861	\$13,002	\$13,989	\$12,062	\$11,785	\$12,682	1.4%
Insurance Expense <sup>13</sup>	\$23,621	\$17,331	\$19,661	\$24,891	\$16,866	\$18,508	\$25,330	\$20,887	2.3%
Utilities Expense <sup>14</sup>	\$29,777	\$19,901	\$17,353	\$21,925	\$18,590	\$25,454	\$17,828	\$21,547	2.3%
Bank & Merchant Expense <sup>15</sup>	\$30,796	\$16,758	\$32,409	\$27,724	\$30,731	\$38,018	\$19,971	\$28,058	3.0%

General & Administrative Expense <sup>16</sup>	\$25,148	\$24,149	\$35,479	\$30,287	\$34,139	\$40,144	\$41,163	\$32,930	3.6%
Total Expenses	\$432,716	\$327,096	\$457,702	\$409,773	\$471,503	\$590,508	\$416,942	\$443,749	48.2%
EBITDA <sup>17</sup>	\$228,675	\$23,693	\$267,138	\$167,848	\$150,367	\$178,377	\$27,259	\$149,051	16.2%

The following table provides the average, median, low and high figures for Gross Sales, Gross Profit and EBITDA for the seven (7) locations represented in this section.

	Average	Median	Low	High
Gross Sales	\$ 962,337	\$ 1,009,529	\$ 569,463	\$ 1,248,190
Gross Profit	\$ 592,800	\$ 621,870	\$ 350,789	\$ 768,885
EBITDA	\$ 149,051	\$ 150,367	\$ 23,693	\$ 267,138

Notes: The following notes apply to the table in this Section A:

1. The term “Gross Sales” is the total amount of sales transactions reported in a period without any deductions.
2. The term “Discounts” includes the redemption of coupons, free or reduced food & beverage promotions, gift card promotions, mobile app promotions, and employee. The actual Discounts for the seven (7) locations above is 6.6% of Gross Sales. This does not represent typical discounts offered System-wide. The System-wide average Discount for the calendar year 2024 was 4.4% which is represented in the table above.
3. The term “Net Sales” is Gross Sales minus Discounts.
4. The term “Cost of Goods Sold” includes all cost associated with the purchase of coffee beans, dairy, sweeteners, syrups, powders, food items, paper products, cups, lids, straws and other products associated with the sale of all food, beverage and retail products. The actual Cost of Goods for the seven (7) locations above is 37.0% of Gross Sales. This does not represent typical Cost of Goods. The Franchisees who shared 2024 financial data with the franchisor along with these seven (7) locations had an average Cost of Goods of 34.0% which is represented in the table above.
5. The term “Gross Profit” is Net Revenue minus Cost of Good Sold.
6. The term “Payroll Expense” includes salaries and wages for all employees including management, payroll taxes, workers compensation insurance and payroll processing fees.
7. The term “Royalty” is described in Item 6.
8. The term “Marketing Fund” is described in Item 6.
9. The term “Advertising Cooperative” is described in Item 6.
10. The term “Rent Expense” includes the total amount paid to the Franchisee’s landlord including base rent, common area maintenance, taxes and insurance.
11. The term “Local Store Marketing Expense” includes all cost associated with sponsorships, donations & contributions, and marketing, advertising and promoting the brand, products and services to the local market.

12. The term “Professional, Technology & Licensing Expense” includes expenses incurred for legal & accounting services, technology services & subscriptions described in Item 6, and licenses.
13. The term “Insurance Expense” includes general liability and business insurance described in Item 8.
14. The term “Utilities Expense” includes all costs associated with water, electricity, gas, telecommunications, internet service, music subscription and security monitoring.
15. The term “Bank & Merchant Expense” includes bank service fees and credit card processing fees.
16. The term “General & Administrative Expense” includes equipment repairs & maintenance, office supplies, janitorial services and supplies, and dues & memberships.
17. The term “Earnings Before Interest, Taxes, Depreciation & Amortization” is the earnings or profit before deductions for loan payments, depreciation of assets and taxes on net profit.

**B. Average Net Sales.**

**PJ’s Unit Criteria.**

The PJ’s Unit must have: (1) opened on or before January 1, 2024; and must have (2) reported net sales for the entire one-year period ending December 31, 2024. The Financial Performance Representation includes domestic locations only.

“Annual Net Sales” is defined as the amount of sales of all products and services sold in, on, about, from, or from such other place for PJ’s Unit, whether for cash or on a charge, credit or time basis, including the reasonable market value of any goods or services sold or traded in any barter or trade transaction, without reserve or deduction for inability or failure to collect. “Annual Net Sales” is intended to include income of every kind and nature related to the Franchisees PJ’s Unit. “Annual Net Sales” shall not include the amount of any excise or sales tax levied on retail sales and payable over to the appropriate governmental authority, nor shall “Annual Net Sales” include amounts deducted for over-rings, refunds, allowances, discounts to customers (including coupon sales) or tips received from customers.

“Net Sales” is defined as the grand total of all sales transactions reported in the specified period minus discounts, refunds, applicable sales taxes and tips received from customers.

“Average Net Sales” is defined as the total Net Sales for the category divided by the number of PJ’s Units featured in the category.

“Median Net Sales” is defined as the Net Sales of the unit that is halfway or middlemost in the category.

A “Traditional Model” PJ’s Unit may be located in either a freestanding building or an in-line retail plaza space or strip mall and is generally between 780 to 2,000 square feet. A Traditional Model may or may not feature a drive-thru. A Traditional Model will employ approximately 10 to 16 people.

A “Non-traditional Model” generally occupies 250 to 1,000 square feet of space possibly with a common eating area and/or common kitchen (i.e. airports, sports arenas, hotels, university campuses, health care facilities, government & military facilities). The space may be either owned by Franchisee or leased from a third party.

**PJ’s Unit Results.**

As of January 1, 2025, PJ's Coffee had a total of 178 PJ's Units in the United States, one (1) PJ's Unit in Vietnam, and two (2) PJ's Unit in Kuwait. Of the total 178 domestic PJ's Units, 117 were open for a full 12 months or greater and reported net sales for the entire 12-month period. The remaining PJ's Units consist of 61 PJ's Units that were either not open for 12 months, or the PJ's Unit is operating under a Special Contract. Special Contracts are agreements with large food service management companies that operate Non-traditional PJ's Units. Specifically, seven (7) domestic PJ's Units closed in 2024, thirty-seven (37) PJ's Units were not open for a full 12-month period in 2024 and seventeen (17) were PJ's Units operating under Special Contracts.

We compiled the annual net sales for 117 franchised PJ's Units for the calendar year 2023. The 117 franchised PJ's Units reflect both the Traditional Models and Non-traditional Models. The Traditional Models have been separated into two sub models, Traditional PJ's Units featuring a drive-thru and Traditional PJ's Units not featuring a drive-thru.

<b>2024 Average Net Sales by Category - Traditional PJ's Units with a Drive-thru</b>					
Category	Number of Units in Category	Average Net Sales	Number and Percentage that Attained or Exceeded the Average	Median Net Sales	Lowest and Highest in the Category
Top 10%	8	\$1,172,929	5 / 63%	\$1,183,455	\$1,035,017 / \$1,281,210
Top 25%	20	\$1,008,567	8 / 40%	\$997,776	\$787,898 / \$1,281,210
Top 50%	41	\$840,691	17 / 41%	\$787,898	\$563,881 / \$1,281,210
Bot 50%	41	\$412,493	22 / 54%	\$422,700	\$183,632 / \$534,903
Bot 25%	20	\$331,366	11 / 55%	\$349,849	\$183,632 / \$422,700
Bot 10%	8	\$258,399	4 / 50%	\$264,337	\$183,632 / \$307,517

<b>2024 Average Net Sales by Category - Traditional PJ's Units without a Drive-thru</b>					
Category	Number of Units in Category	Average Net Sales	Number and Percentage that Attained or Exceeded the Average	Median Net Sales	Lowest and Highest in the Category
Top 10%	3	\$846,994	1 / 33%	\$824,825	\$781,591 / \$934,567
Top 25%	7	\$749,207	3 / 43%	\$704,182	\$658,797 / \$934,567
Top 50%	14	\$651,172	7 / 50%	\$650,229	\$462,464 / \$934,567
Bot 50%	14	\$352,300	7 / 50%	\$340,305	\$242,329 / \$514,301
Bot 25%	7	\$292,530	4 / 57%	\$292,871	\$242,329 / \$325,523
Bot 10%	3	\$270,239	2 / 67%	\$282,854	\$242,329 / \$285,533

<b>2024 Average Net Sales by Category - Non-traditional PJ's Units without a Drive-thru</b>					
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Category	Number of Units in Category	Average Net Sales	Number and Percentage that Attained or Exceeded the Average	Median Net Sales	Lowest and Highest in the Category
Top 10%	1	\$ 1,201,091	0 / 0%	\$ 1,201,091	\$1,201,091 / \$1,201,091
Top 25%	3	\$ 935,044	1 / 33%	\$ 826,253	\$777,787 / \$1,201,091
Top 50%	5	\$ 737,229	3 / 66%	\$ 777,787	\$270,588 / \$1,201,091
Bot 50%	5	\$ 224,790	2 / 40%	\$ 210,496	\$191,697 / \$270,588
Bot 25%	3	\$ 202,286	2 / 67%	\$ 204,664	\$191,697 / \$210,496
Bot 10%	1	\$ 191,697	0 / 0%	\$ 191,697	\$191,697 / \$191,697

Average Net Sales by Year - All PJ's Units					
Category	Number of Units in Category	Average Net Sales	Number and Percentage that Attained or Exceeded the Average	Median Net Sales	Lowest and Highest in the Category
2024	117	\$589,674	52 / 44%	\$533,705	\$183,632 / \$1,281,210
2023	124	\$524,015	60 / 48%	\$457,537	\$10,177 / \$1,274,409
2022	104	\$520,340	53 / 51%	\$528,118	\$23,929 / \$1,245,409
2021	97	\$453,985	44 / 46%	\$441,216	\$15,212 / \$1,065,523
2020	56	\$438,399	26 / 46%	\$423,511	\$42,755 / \$1,370,341
2019	76	\$434,273	37 / 49%		\$55,253 / \$1,399,677
2018	66	\$433,497	28 / 42%		\$70,533 / \$1,370,342

The average net sales for all 117 franchised PJ's Units was \$589,674 for the calendar year 2024. The median for all 117 franchised PJ's Units was \$533,705 for the calendar year 2024.

#### Historical Average Unit Volume.

For each Period of analysis below, the PJ's Unit must have reported net sales for the entire year period ending December 31, 2018, December 31, 2019, and December 31, 2020, December 31, 2021, December 31, 2022, December 31, 2023, December 31, 2024 respectively. The Financial Performance Representation includes domestic PJ's Units only.

The figures below provide the average net sales generated by PJ's Units, by model over the course of a calendar year for years: 2018, 2019, 2020, 2021, 2022, 2023, and 2024. The figures below were calculated using the information from sales reports submitted by the Franchisee and/or information obtained from PJ's franchisees' point of sale software, which gathers PJ's Units net sales and other data.

There are no Non-traditional PJ's Units featuring a drive-thru.

Average Net Sales by Year- Traditional PJ's Units with a Drive-thru
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Year	Number of Units in Category	Average Net Sales	Number and Percentage that Attained or Exceeded the Average	Median Net Sales	Lowest and Highest in the Category
2024	82	\$626,592	37 / 45%	\$556,715	\$183,632 / \$1,281,210
2023	67	\$639,798	27 / 40%	\$556,980	\$181,329 / \$1,274,409
2022	53	\$656,816	21 / 40%	\$591,868	\$264,726 / \$1,245,408
2021	50	\$584,831	22 / 43%	\$523,933	\$212,029 / \$1,065,523
2020	27	\$579,547	13 / 48%	\$557,493	\$262,375 / \$971,449
2019	26	\$534,181	11 / 42%	\$467,036	\$242,218 / \$946,741
2018	20	\$520,179	11 / 55%	\$538,924	\$217,054 / \$901,929

Average Net Sales by Year - Traditional PJ's Units without a Drive-thru					
Year	Number of Units in Category	Average Net Sales	Number and Percentage that Attained or Exceeded the Average	Median Net Sales	Lowest and Highest in the Category
2024	26	\$502,763	13 / 50%	\$488,382	\$242,329 / \$934,567
2023	27	\$463,981	14 / 52%	\$466,046	\$103,992 / \$782,933
2022	25	\$451,091	12 / 48%	\$446,989	\$157,119 / \$742,960
2021	21	\$418,666	11 / 52%	\$472,947	\$165,120 / \$694,031
2020	14	\$377,619	9 / 64%	\$406,384	\$109,681 / \$552,037
2019	23	\$409,953	11 / 48%	\$409,004	\$162,139 / \$647,541
2018	23	\$398,997	13 / 57%	\$410,163	\$154,109 / \$614,860

Average Net Sales by Year - Non-traditional PJ's Units without a Drive-thru					
Year	Number of Units in Category	Average Net Sales	Number and Percentage that Attained or Exceeded the Average	Median Net Sales	Lowest and Highest in the Category
2024	9	\$504,390	4 / 44%	\$270,588	\$191,697 / \$1,201,091
2023	30	\$319,463	10 / 33%	\$170,106	\$10,177 / \$1,225,972
2022	26	\$308,724	10 / 38%	\$171,855	\$23,929 / \$1,100,687
2021	26	\$230,884	9 / 35%	\$122,090	\$15,212 / \$965,963
2020	15	\$241,059	6 / 40%	\$131,455	\$42,755 / \$767,590
2019	27	\$358,783	10 / 37%	\$207,322	\$55,253 / \$1,399,677
2018	23	\$392,621	9 / 39%	\$312,161	\$70,533 / \$1,370,341

C. **Average Historical Same Store Sales Growth/Decline.** The same store sales growth/decline figures below compare the net sales generated by PJ's Units over the course of a calendar year with

the net sales generated by the same PJ's Units during the prior calendar year. The figures below were calculated using the information from sales reports submitted by the Franchisee and/or information obtained from PJ's franchisees' point of sale software, which gathers PJ's Units net sales and other data.

2023 – 2024 Same Store Sales Analysis by PJ's Unit Model			
PJ's Unit Model	Same Store Sales Growth/Decline over Previous Year	Total Number of Units Measured in SSS Analysis	Number of Units that Attained or Exceed Average SSS Increase/Decrease
Traditional PJ's Unit with a Drive-thru	-0.4%	65	32 / 49%
Traditional PJ's Units without a Drive-thru	7.2%	25	13 / 52%
Non-traditional PJ's Units without a Drive-thru	3.2%	8	5 / 63%

For each Period of Analysis below, the PJ's Unit must have reported net sales for the entire two-year period ending December 31, 2015, December 31, 2016, December 31, 2017, December 31, 2018, December 31, 2019, December 31, 2020, December 31, 2021, December 31, 2022, December 31, 2023, and December 31, 2024 respectively. The Financial Performance Representation includes domestic locations only.

Same Store Sales Analysis for All PJ's Unit Models			
Average SSS Period of Analysis	Average Same Store Sales Increase/Decrease over Prior Year	Total Number of Units Measured in the Average SSS Analysis	Number of Units that Attained or Exceeded Average SSS Increase/Decrease
2023 - 2024	1.2%	98	49 / 50%
2022 - 2023	3.0%	100	49 / 49%
2021 - 2022	14.3%	89	43 / 48%
2020 - 2021	18.8%	51	27 / 53%
*2019 - 2020	-2.5%	47	23 / 49%
2018 - 2019	8.4%	60	29 / 48%
2017 - 2018	4.9%	63	27 / 43%
2016 - 2017	6.6%	60	28 / 47%
2015 - 2016	8.8%	55	9 / 16%
2014 - 2015	9.4%	54	19 / 35%

All the PJ's Units whose data were used in the table above were open for at least 24 months during the measured period.



\*For the same store sales period 2019 – 2020, PJ's Units featuring a drive-thru experienced an average same store sales increase of 12.1% and 9 or 38% of the PJ's Units attained or exceeded an increase of 12.1%.

General Comments.

The PJ's Units represented herein operate in the following states: Alabama, Arkansas, Georgia, Louisiana, Maryland, Mississippi, Missouri, New Jersey, South Carolina, and Texas.

The financial data was compiled prior to and during the time of the COVID-19 pandemic and the temporary local and state governmental restrictions on operations.

Franchisor urges Franchisee to contact our existing Franchisees to make Franchisee's own evaluation of Franchisee's potential PJ's Unit's success. Exhibit J to this franchise disclosure document contains the names of all of our Franchisees and the address and telephone numbers of all Franchisees.

**Some franchises sold these amounts. 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 upon reasonable request.

Other than the preceding financial representation, New Orleans Brew, LLC 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 David Mesa, Jr., Chief Development Officer, 4480 LA-22, Suite 2, Mandeville, Louisiana 70471, (985) 792-5776, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20**

**LOCATIONS AND FRANCHISEE INFORMATION**

**TABLE NO. 1**

**SYSTEMWIDE LOCATION SUMMARY  
FOR YEARS 2022 TO 2024**

Outlet Type	Year	Locations at the Start of the Year	Locations at the End of the Year	Net Change
<b>Franchised</b>	2022	120	134	+14
	2023	134	156	+22
	2024	156	169	+13