

	Provision	Section in Development Agreement	Summary
u	Dispute resolution by arbitration or mediation	Sections 21.1 and 21.2	All controversies, disputes or claims will first proceed to mediation, and if unsuccessful, the parties will proceed to arbitration (subject to state law).
v	Choice of forum	Section 21.5	If dispute is not arbitrated, then Texas state and federal courts (subject to state law).
w	Choice of law	Section 21.5	The laws of the state of Texas (subject to state and federal law).

ITEM 18 PUBLIC FIGURES

We do not use any public figures 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.

As of December 31, 2024, there were 91 la Madeleine Cafés (29 company-owned Bakery Cafés and 62 franchised la Madeleine Cafés). Of the 62 franchised la Madeleine Cafés, 51 were Bakery Cafés operating at Traditional Locations and 11 were franchised la Madeleine Cafés operating at Non-Traditional Facilities. In this Item, we provide certain historical operating results of company-owned Bakery Cafés in Table 1; certain historical operating results of franchised Bakery Cafés in Table 2; and certain historical operating results of Bakery Cafés and Express Cafés operating at Non-Traditional Facilities in Table 3. In total, 25 of the 29 company-owned la Madeleine Cafés operating as of December 31, 2024, and 56 of the 62 franchised la Madeleine Cafés operating as of December 31, 2024, are represented in this Item 19. The explanatory notes following each table are an important part of the information presented.

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**TABLE 1 – 2024 AVERAGE GROSS SALES, OPERATING EXPENSES,
AND EBITDA FOR COMPANY-OWNED BAKERY CAFÉS**

	Gross Sales	COGS	Labor	Rent	Other Costs	EBITDA	Royalties	Adjusted EBITDA
Top 50%								
Average	\$2,738,251	\$752,077	\$755,157	\$229,565	\$514,895	\$422,094	\$133,689	\$288,404
% of Average		27.5%	27.6%	8.4%	18.8%	15.4%	4.9%	10.5%
#/% Exceeding Average	5 (42%)	6 (50%)	5 (42%)	7 (58%)	7 (58%)	4 (33%)	6 (50%)	4 (33%)
Median	\$2,715,620	\$744,552	\$746,968	\$240,296	\$520,259	\$367,910	\$133,333	\$233,910
Bottom 50%								
Average	\$1,678,589	\$467,878	\$489,722	\$210,506	\$369,986	\$94,368	\$81,623	\$12,745
% of Average		27.9%	29.2%	12.5%	22.0%	5.6%	4.9%	0.8%
#/% Exceeding Average	9 (69%)	9 (69%)	8 (62%)	7 (54%)	7 (54%)	6 (46%)	9 (69%)	6 (46%)
Median	\$1,808,043	\$508,662	\$525,496	\$228,462	\$382,253	\$88,469	\$87,566	\$4,492
All Covered Company-Owned Cafés								
Average	\$2,187,227	\$604,293	\$617,131	\$219,654	\$439,542	\$251,677	\$106,615	\$145,062
% of Average		27.6%	28.2%	10.0%	20.1%	11.5%	4.9%	6.6%
#/% Exceeding Average	14 (56%)	13 (52%)	15 (60%)	14 (56%)	14 (56%)	14 (56%)	14 (56%)	14 (56%)
Median	\$2,236,977	\$615,617	\$643,134	\$232,263	\$477,465	\$283,550	\$108,206	\$175,689
Top 25%								
Average	\$2,967,363	\$810,667	\$789,002	\$249,436	\$547,288	\$507,274	\$145,183	\$362,090
% of Average		27.3%	26.6%	8.4%	18.4%	17.1%	4.9%	12.2%
#/% Exceeding Average	1 (17%)	1 (17%)	3 (50%)	3 (50%)	3 (50%)	2 (33%)	1 (17%)	3 (50%)
Median	\$2,855,818	\$799,677	\$778,000	\$250,764	\$546,546	\$487,795	\$140,216	\$352,153
Bottom 25%								
Average	\$1,339,423	\$379,129	\$412,450	\$169,279	\$317,335	\$26,132	\$65,216	\$(39,084)
% of Average		28.3%	30.8%	12.6%	23.7%	2.0%	4.9%	-2.9%
#/% Exceeding Average	4 (57%)	4 (57%)	4 (57%)	4 (57%)	4 (57%)	4 (57%)	4 (57%)	4 (57%)
Median	\$1,464,915	\$417,041	\$483,223	\$180,102	\$351,065	\$88,469	\$71,415	\$4,492

Notes to Table 1:

1. As of December 31, 2024, there were 29 company-owned Bakery Cafés, all of which operate at Traditional Locations. The figures in Table 1 are based on 25 company-owned Bakery Cafés that were open throughout our fiscal year ending December 31, 2024 (the “**Covered Company-Owned Cafés**”). Table 1 does not include 4 Bakery Cafés that were not open the entire year, 1 of which temporarily closed and 3 of which were reacquired from a franchisee during 2024. The 1 company-owned Bakery Café we temporarily closed during our last fiscal year was due to renovations. The Covered Company-Owned Cafés have been open for an average of more than 22 years. The Covered Company-Owned Cafés range between 2,870 and 7,157 square feet and may be larger in size than your Café. Company-owned Bakery Cafés do not pay royalties, but do contribute to the Brand Marketing Fund. Other than royalty payments and contributions to the Brand Marketing Fund, we do not anticipate any material financial or operational differences between our company-owned Bakery Cafés and franchised Bakery Cafés.
2. Top 50% means the company-owned Bakery Cafés that achieved Gross Sales that ranked in the top half of the Covered Company-Owned Cafés and bottom 50% means the company-owned Bakery Cafés that achieved Gross Sales that ranked in the bottom half of the Covered Company-Owned Cafés. There are 12 Bakery Cafés in the top 50%, and there are 13 Bakery Cafés in the bottom 50%.
3. Top 25% means the company-owned Bakery Cafés that achieved Gross Sales that ranked in the top quarter of the Covered Company-Owned Cafés and bottom 25% means the company-owned Bakery Cafés that achieved Gross Sales that ranked in the bottom quarter of the Covered Company-Owned Cafés. There are 6 Bakery Cafés in the top 25% and there are 7 Bakery Cafés in the bottom 25%.
4. During 2024, (a) the Covered Company-Owned Cafés had Gross Sales ranging from \$3,609,350 to \$783,302; (b) Top 50% had Gross Sales ranging from \$3,609,350 to \$2,335,247; (c) the Bottom 50% had Gross Sales ranging from \$2,236,977 to \$783,302 during the Covered Period; (d) the Top 25% had Gross Sales ranging from \$3,609,350 to \$2,735,100; and (e) the Bottom 25% had Gross Sales ranging from \$1,808,043 to \$783,302.
5. “Gross Sales” means all sales generated through the Bakery Cafés including fees for any products or goods sold, whether for cash or credit (regardless of collectability, except as provided below) and income of every kind or nature related to the Bakery Cafés, including revenues from the sale of branded or retail merchandise and food products, whether from sales on the Premises, by delivery (including GrubHub, Uber Eats, Favor, and Doordash), from catering if the Bakery Cafés provide the product, by online, internet or phone-app ordering (including ezCater and Dinova) if picked up at the Bakery Cafés or at wholesale (whether the sales method is permitted or not), and from the use of vending machines or similar arcade-like machines. The Franchise Agreement further defines “Gross Sales,” specifically identifying those inclusions and exclusions from Gross Sales.

6. “COGS” means Cost of Goods Sold and represents food, beverage, and paper products used when serving guests in company-owned Bakery Cafés. Our affiliates have negotiated contracts with vendors of certain products under which company-owned Cafés and franchised Cafés may qualify for volume discounts based on total purchases by the group. The cost of items that must be purchased locally, such as fresh produce, will vary according to the location of the Café.
7. “Labor” includes the actual salaries, wages, and related expenses incurred by the company-owned Bakery Cafés. This includes the costs of the general manager, assistant managers, crew, payroll taxes, vacation benefits, the employer portion of group health benefits, workers’ compensation expenses, and bonuses for Bakery Café personnel. Salaries, wages, and related payroll expenses vary substantially depending on the geographic location of the Bakery Café, demands on the local labor pool, state and federally mandated minimum wage laws, changes in state and federal laws affecting benefits and the level of benefits (i.e., medical insurance, vacation and bonuses) provided. Labor costs do not include any other amounts associated with employing the franchised workers, like training wages and costs, payroll taxes, workers’ compensation insurance, bonuses and other employee benefits, or costs to maintain payroll services. Labor costs also do not include any salaries, wages, or other expenses associated with multi-unit leaders or managers or other personnel who provide services to multiple cafés within an organization.
8. “Rent” means the cost of renting the Premises for the Bakery Café, including insurance and common area maintenance costs. Rent varies significantly due to local market factors.
9. “Other Costs” include costs of utilities (e.g. gas, electric and telephone), restaurant supplies, repairs and maintenance, uniforms, smallwares, security, accounting and legal fees, third-party delivery fees and other fees (including DoorDash, Uber Eats, Grubhub, Favor, ezCater and Dinova); general insurance; outside service contracts (e.g., trash collection, equipment service, music rental, cleaning supplies, and janitorial and linen services); sales, real estate, personal property, and mixed beverage taxes; operating contracts and leases; and other fixed costs. These costs are subject to local market conditions and vary depending on the geographic location of the Bakery Café. “Other Costs” also includes marketing expenses. While marketing expenses varied, overall company-owned Bakery Cafés incur marketing expenses equivalent to the marketing fees that franchised Bakery Cafés are required to pay. Company-owned Bakery Cafés pay the same 2% Brand Marketing Fund Contribution that franchised Bakery Cafés are also required to pay, but do not pay royalties. Accordingly, no figures have been separately imputed in Table 1 for the Brand Marketing Fund Contribution.
10. “EBITDA” means Earnings Before Interest, Taxes, Depreciation and Amortization. Accordingly, EBITDA excludes interest, taxes, depreciation, and amortization costs. Additionally, the café-level EBITDA calculation excludes and does not reflect costs and expenses that are typically reflected above the café level. This includes costs for certain legal and professional services and salaries/wages and benefits for headquarter staff providing services to Covered Company-Owned Cafés (as described in Note 7).

11. Franchised Bakery Cafés are required to pay Royalties that company-owned Bakery Cafés do not have to pay. “Royalties,” therefore, means imputed Royalties of 5% that the company-owned Bakery Cafés would have paid if they were franchised Bakery Cafés.
12. “ADJ EBITDA” means EBITDA minus imputed Royalties (see Note 11).
13. “% of Average” means the various expense items as a percentage of the reported total average Gross Sales.

TABLE 2 – 2024 AVERAGE GROSS SALES FOR FRANCHISED BAKERY CAFÉS AT TRADITIONAL LOCATIONS

	Average Gross Sales	Number and percentage that attained or surpassed Average Gross Sales	High Gross Sales	Low Gross Sales	Median Gross Sales
Top 50%	\$2,929,753	8 or 32%	\$5,178,051	\$2,339,225	\$2,745,670
Bottom 50%	\$1,888,193	14 or 46%	\$2,241,430	\$1,202,943	\$1,899,449

Notes to Table 2:

1. As of December 31, 2024, there were 51 franchised Bakery Cafés operating at Traditional Locations. The figures in Table 2 are based on 50 franchised Bakery Cafés that were open throughout the 53-week period ending December 31, 2024 (“Covered Franchised Bakery Cafés”). Table 2 excludes the 1 Bakery Café that opened during 2025. It also excludes 1 Bakery Café that permanently closed during our last fiscal year, and 3 that were sold and became corporate cafés during our last fiscal year. Finally, Table 2 excludes all 11 la Madeleine Cafés operating at Non-Traditional Facilities as of December 31, 2024, 6 of which are detailed below in Table 3. The 1 franchised Bakery Café that permanently closed during our last fiscal year was open for more than 12 months. None of the Covered Franchised Bakery Cafés have a drive-thru. The Covered Franchised Bakery Cafés range between 1,795 and 10,208 square feet and may be larger in size than your Café.
2. In this Table 2, Top 50% means the franchised Bakery Cafés that achieved Gross Sales that ranked in the top half of the Covered Franchised Bakery Cafés and bottom 50% means the franchised Bakery Cafés that achieved Gross Sales that ranked in the bottom half of the Covered Franchised Bakery Cafés. There are 25 la Madeleine Cafés in the top 50% and 25 la Madeleine Cafés in the bottom 50%. “Gross Sales” has the same definition as set forth in note 4 to Table 1.

**TABLE 3 – 2024 AVERAGE GROSS SALES FOR FRANCHISED LA MADELEINE CAFÉS
AT NON-TRADITIONAL FACILITIES**

	Average Gross Sales	Number and percentage that attained or surpassed Average Gross Sales	High Gross Sales	Low Gross Sales	Median Gross Sales
la Madeleine Cafés operating at Non-Traditional Facilities	\$2,108,047	4 or 67%	\$4,139,953	\$281,629	\$2,440,688

Notes to Table 3:

- As of December 31, 2024, there were 11 franchised la Madeleine Cafés operating at Non-Traditional Facilities. The figures in Table 3 are based on the 6 franchised la Madeleine Cafés operating at Non-Traditional Facilities that were open throughout the 53-week period ending December 31, 2024 (the “Covered Non-Traditional Cafés”). The Covered Non-Traditional Restaurants are all Express Cafés. We have excluded from this Table 3, 1 la Madeleine Café that opened in 2024, 1 la Madeleine Café that was temporarily closed during summer, and 3 la Madeleine Cafés that are operated at atypical kiosk locations. No franchised la Madeleine Cafés operating at Non-Traditional Facilities permanently closed during our last fiscal year.
- “Gross Sales” for Cafés at Non-Traditional Facilities means the amount received by a franchisee for all sales of any food, beverages (including alcoholic beverages where permitted by law), or other products sold by the franchisee or any other person or entity in, or from the Café for cash, credit or otherwise, including but not limited to sales and services where the order originated in, at, or from the Café regardless of where delivery or performance is made, minus (i) non-branded, non-proprietary merchandise (e.g., newspapers); (ii) refunds to customers that were previously included in Gross Sales, (iii) coupons and other forms of discounts, the issuance of which have been pre-approved by us, such that only the cash or credit charge amount received in a sale will be included, (iv) sales, excise or similar taxes imposed by any governmental authority and collected from customers and paid out by the franchisee, and (v) the value of meals provided to employees working at the Café, incident to their employment. In the event there is an interruption to your business operations and you receive business interruption insurance proceeds, then the amount of Gross Sales used by you to determine your loss will be deemed the Gross Sales for that period and deemed made when you receive the insurance proceeds. “Gross Sales” does not include any sales tax or other taxes you collect from customers. We may modify our policies consistent with restaurant industry practices regarding revenue recognition, revenue reporting, and the inclusion in or

exclusion of certain revenue from "Gross Sales" as circumstances, business practices, and technology change.

* * *

We obtained the data for the Covered Company-Owned Cafés in Table 1 from the internal operating records of our affiliates. We obtained the data for the Covered Franchised Bakery Cafés in Table 2 and the Covered Non-Traditional Cafés in Table 3 from the sales reports submitted to us by those outlets. Neither the raw data nor the figures in Tables 1-3 have been audited.

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

Written substantiation for the financial performance representations in Tables 1 through 3 will be made available to you upon reasonable request.

Other than the preceding financial performance representations, 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 la Madeleine Café, however, we may provide you with the actual records of that la Madeleine Café. 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 Christine Johnson at 12201 Merit Drive, Suite 900, Dallas, TX 75251 (214) 696-6962, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**Table 1
Systemwide Outlet Summary For Years 2022 to 2024⁽¹⁾**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	59	60	+1
	2023	60	64	+4
	2024	64	62	-2
Company-Owned	2022	37	27	-10
	2023	27	26	-1
	2024	26	29	+3
Total Outlets	2022	96	87	-9
	2023	87	90	+3
	2024	90	91	+1

Note 1: The figures in Tables 1-5 are as of the end of each calendar year. Our last fiscal year ended on December 31, 2024.