

Provision	Section in Area Development Agreement	Summary
		representations made in the Franchise Disclosure Document
u. Dispute resolution by arbitration or mediation	§ 10.17	Subject to state law, all disputes, other than disputes relating to preliminary injunctive relief, must first be submitted to a process of negotiation and non-binding mediation. If mediation is not successful, all disputes except for those related to preliminary injunctive relief must be arbitrated in Florida.
v. Choice of forum	§§ 10.15 and 10.17	Subject to applicable local state law to the contrary, Arbitration following unsuccessful negotiation and mediation must be in Florida.
w. Choice of law	§ 10.8	Subject to applicable state law to the contrary, Florida law applies, except for the provisions respecting Non-Competition, which are governed by the law of the state in which you will operate.

ITEM 18 PUBLIC FIGURES

We do not use any public figures to promote this 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 this 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, but providing information about possible performance at a particular location or under particular circumstances.

The information presented is the actual past operating results for Jeff's Bagel Run affiliate-operated and franchise-operated stores, including Sales and certain operating expenses. All start-up expenses included in Item 7 are considered paid on a cash basis, so these statements do not include

any amortization, depreciation or borrowing costs related to the operation of a Jeff's Bagel Run store. The information includes Costs of Goods Sold, Payroll, Rent, Utilities, Office/General Administration Cost, Advertising, Merchant Fees, Royalty, and Advertising Fund (as those terms are defined below). The information has not been audited. The Jeff's Bagel Run affiliate-operated stores included in this Item 19 are substantially similar in the products offered by a franchise store, though, among other differences, the store designs of the original two stores locations are different and they offered a more limited menu during a portion of the reported periods.

Some Stores 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 this Item 19 will be made available to prospective franchisees upon reasonable request.

ANALYSIS OF REVENUES AND EXPENSES FOR JEFF'S BAGEL RUN STORES

This Item 19 sets forth certain historical information on revenues and expenses for JBR Franchise Co Jeff's Bagel Run affiliate-operated and franchise-operated stores. Affiliate-operated stores are Jeff's Bagel Run stores that are owned by our affiliated entities (1337 Capital Management LLC and Jeff's Bagel Run LLC). Jeff's Bagel Run affiliate-operated store financial are presented on an accrual basis. JBR Franchise Co has not yet collected financial statements from its franchisees, thus it cannot provide full financial information on the performance of its franchisees. The franchisees listed in this disclosure document may be a good source of that information. JBR Franchise Co does, however, collect Sales information through its POS system for its franchise-operated stores, which is included in the Tables below.

Table 1-A: Average Sales and Expenses for all Jeff's Bagel Run Affiliate-Operated Stores for Months 1-3, Months 4-6, Months 7-9 and Months 10-12

Table 1-A contains the average Sales and expenses for all Jeff's Bagel Run affiliate-operated stores for Months 1-3, Months 4-6, Months 7-9 and Months 10-12. The first Jeff's Bagel Run affiliate-operated opened in July 2021. Prior to the store opening, the co-founders conducted a bagel delivery business out of their home from November 2019 to June 2021. The second Jeff's Bagel Run affiliate-operated store was purchased in April of 2022 from an independent competitor who had operated under a different brand for approximately 2 years. The first month used in this Table for these two legacy stores is July 2023, which is the first month those stores operated under the JBR Franchise Co operating system. The sales for these two original legacy stores were lower than the Sales for more recently opened Jeff's Bagel Run affiliate-operated stores.

Table 1-B: Derivation Tables for Table 1-A

Table 1-B are the derivation tables for the data included in Table 1-A and represent, for each applicable line item identified in Table 1-A, the actual historical highest, lowest, average, median, and the number and percentage of Jeff's Bagel Run affiliate-operated stores that meet or exceed the applicable average for each line item.

Table 2: Annual Sales and Expenses for The Top & Bottom Jeff's Bagel Run Affiliate-Operated Stores Over One Year Old as Of December 31, 2024

Table 2 represents the annual Sales and expenses of the top and bottom Jeff's Bagel Run affiliate- operated stores that were over one year old as of December 31, 2024. Because there are only two stores that were over one year old, there is no need for derivation tables.

Table 3-A: Weekly Sales for All Jeff's Bagel Run Stores, Franchise-Operated Stores & Stores Outside of Orlando, FL For the First Twelve Months Of Operation

Table 3 represents the average weekly Sales for each store's first twelve weeks of operations grouped into the store grouping of (i) all Jeff's Bagel Run stores (ii) only the franchise-operated stores and (iii) only the stores operating outside of Orlando, FL.

Table 3-B: Derivation Tables for Table 3-A

Table 3-B are the derivation tables for the data included in Table 3-A and represent, for each applicable grouping identified in Table 3-A, the actual historical highest, lowest, average, median, and the number and percental of Jeff's Bagel Run affiliate-operated stores that meet or exceed the applicable average for each grouping. There are no material differences in Sales of affiliate-operated and franchise-operated stores.

Definitions

The following notes generally define each line-item category shown on the attached Tables. You should review the attached Tables only in conjunction with the following notes, which are an integral part of the numerical information.

Note 1: Sales:

DEFINED: Sales include all revenues received or receivable as payment for all goods, merchandise, services and products sold in or from a Jeff's Bagel Run store. Sales exclude tips, sales tax, value added or other tax, excise or duty charged to customers imposed by any appropriate Federal, state, municipal, local or governmental authority.

Note 2: Cost of Goods Sold (COGS):

DEFINED: The sum cost of all food ingredients for bagels, specialty cream cheeses or other spreads, cookies, other baked goods, coffee, tea, other beverages and paper goods (cups, napkins, straws, plastic utensils, take-away containers and wrapping paper). The cost of these items is recorded in the internal financials when they are invoiced by the vendor, not when they are received or consumed. To better reflect the proper matching between each period's sales and the COGS associated with those sales, a percentage is applied to sales to render COGS. This percentage is computed by dividing the FYE total COGS by the FYE total sales for each store. The result is the same total COGS is provided; it is just more accurately matched to each period's sales.

Note 3: Gross Margin:

DEFINED: Sales less Cost of Goods Sold.

Note 4: Payroll:

DEFINED: The sum of all store personnel costs, including salaries and wages for full-time and part-time employees, employer contributions for F.I.C.A. taxes, federal unemployment taxes, state unemployment taxes, workers' compensation, group health insurance, long term disability, wages for contracted labor, expense of "help wanted" ads, employment agency fees, and employee training expenses.

Note 5: Rent:

DEFINED: The sum of the costs of a leased building including rent, building maintenance, common area maintenance, real estate commissions, and real estate taxes. As stated above, no amortization or depreciation of build-out costs or equipment (See Item 7 of the Disclosure Document) are included in this expense. Jeff's Bagel Run's recommended square footage is between 1,200 and 1,600 square feet. Jeff's Bagel Run's lease rate per square foot varies from \$30.00 to \$50.00, and common area maintenance charge (C.A.M.), property taxes and insurance vary from \$8.00 to \$20.00 per square foot. The cost per square foot in a strip-type shopping center and freestanding building varies considerably, depending on the location and the market conditions affecting commercial property.

Note 6: Utilities:

DEFINED: The sum of costs associated with essential services such as electricity, water, gas, sewage, telephone, internet, and security costs.

Note 7: Office & General & Administrative Cost:

DEFINED: Office & General Operating Cost is the sum of store-level operating expenses, including office supplies, postage, general liability insurance, bank charges, miscellaneous charges, petty cash shortages, miscellaneous legal expenses, local business licenses and permits, store personnel errand and travel expense.

Note 8: Advertising:

DEFINED: Advertising is the sum of local advertising expenses including on-line advertising, social media cost, direct mail, handbills, circulars, in-store artwork and brochures, and agency fees, and is in addition to Advertising Fund payments described in Note 11 below.

Note 9: Merchant Fees:

DEFINED: Merchant fees encompass all processing or service fees incurred from third-party companies during revenue generation. This encompasses various expenses such as credit card processing fees, charges from platforms like Uber, DoorDash, and Shopify, as well as fees from third-party catering services.

Note 10: Royalty

DEFINED: An actual or, as applicable for the two original legacy Jeff's Bagel Run affiliate-operated stores an imputed, Royalty rate of 6% on Sales (See Item 6 of the Disclosure Document) is included

to illustrate that expense and will be incurred by you in the operation of a Jeff's Bagel Run franchise-operated store. Tips are not subject to a Royalty.

Note 11: Advertising Fund:

DEFINED: An actual or, as applicable for the two original legacy Jeff's Bagel Run affiliate-operated stores an imputed, Advertising Fund rate of 2% on Gross Sales (See Item 11 of the Disclosure Document) is included to illustrate that expense and will be incurred by you in the operation of a Jeff's Bagel Run franchise-operated store. Your participation may include purchasing point of sale advertising material, posters, flyers, product displays and other promotional material (unless provided at no charge through the Advertising Fund). Tips are not subject to Advertising Fund Contributions.

Note 12: Total Expenses:

DEFINED: The sum of all Payroll, Rent, Utilities, Office & General Administrative, Advertising, Merchant Fees, Royalty, and Advertising Fund.

Note 13: Net Profit:

DEFINED: Gross Margin less Total Expenses.

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TABLE 1-A
Statement of Average Sales and Expenses for All Affiliate-Operated Jeff's Bagel Run Locations
Months 1-3, Months 4-6, Months 7-9, Months 10-12 of Operations

	Months 1 - 3			Months 4 - 6			Months 7 - 9			Months 10 - 12		
	Average			Average			Average			Average		
Sales (Note 1)	\$	78,453	%	\$	89,602	%	\$	92,568	%	\$	93,305	%
COGS (Note 2)	\$	26,849	34.2%	\$	29,003	32.4%	\$	29,836	32.2%	\$	28,751	30.8%
Gross Margin (Note 3)	\$	51,604	65.8%	\$	60,599	67.6%	\$	62,732	67.8%	\$	64,554	69.2%
Expenses:												
Payroll Expense (Note 4)	\$	25,468	32.5%	\$	25,495	28.5%	\$	26,502	28.6%	\$	27,264	29.2%
Rent (Note 5)	\$	4,146	5.3%	\$	4,111	4.6%	\$	3,617	3.9%	\$	2,662	2.9%
Utilities (Note 6)	\$	2,044	2.6%	\$	2,119	2.4%	\$	1,929	2.1%	\$	1,481	1.6%
Office/G&A (Note 7)	\$	1,924	2.5%	\$	1,850	2.1%	\$	1,805	1.9%	\$	3,152	3.4%
Advertising (Note 8)	\$	1,614	2.1%	\$	692	0.8%	\$	715	0.8%	\$	1,063	1.1%
Merchant Fees (Note 9)	\$	4,774	6.1%	\$	6,488	7.2%	\$	6,260	6.8%	\$	7,880	8.4%
Royalty (Note 10)	\$	4,707	6.0%	\$	5,376	6.0%	\$	5,554	6.0%	\$	5,598	6.0%
Advertising Fund (Note 11)	\$	1,569	2.0%	\$	1,792	2.0%	\$	1,851	2.0%	\$	1,866	2.0%
Total Expenses (Note 12)	\$	46,246	58.9%	\$	47,923	53.5%	\$	48,233	52.1%	\$	50,966	54.6%
Net Profit (Note 13)	\$	5,358	6.8%	\$	12,676	14.1%	\$	14,499	15.7%	\$	13,588	14.6%
Number Of Stores In Sample	8			6			3			2		

TABLE 1-B
Derivations Table for All Affiliate-Operated Jeff's Bagel Run Locations
Months 1-3, Months 4-6, Months 7-9, Months 10-12 of Operations

	Months 1 - 3	Months 4 - 6	Months 7 - 9	Months 10 - 12
Highest Sales (Note 1)	\$ 103,614	\$ 102,640	\$ 102,481	\$ 106,260
Lowest Sales	\$ 50,946	\$ 71,179	\$ 74,465	\$ 80,350
Average Sales	\$ 78,453	\$ 89,602	\$ 92,568	\$ 93,305
Median Sales	\$ 79,176	\$ 95,462	\$ 100,758	\$ 93,305
# of Stores Higher than Group Average	4	4	2	1
% of Stores Higher than Group Average	50%	67%	67%	50%

Highest COGS (Note 2)	\$ 36,052	\$ 33,856	\$ 35,058	\$ 30,758
Lowest COGS	\$ 17,714	\$ 20,111	\$ 24,786	\$ 26,745
Average COGS	\$ 26,849	\$ 29,003	\$ 29,836	\$ 28,752
Median COGS	\$ 26,548	\$ 30,006	\$ 29,664	\$ 28,752
# of Stores Higher than Group Average	4	3	1	1
% of Stores Higher than Group Average	50%	50%	33%	50%

Highest Gross Margin (Note 3)	\$ 67,562	\$ 76,057	\$ 72,817	\$ 75,502
Lowest Gross Margin	\$ 28,469	\$ 45,237	\$ 49,679	\$ 53,605
Average Gross Margin	\$ 51,604	\$ 60,599	\$ 62,732	\$ 64,554
Median Gross Margin	\$ 50,214	\$ 62,384	\$ 57,690	\$ 64,554
# of Stores Higher than Group Average	4	3	2	1
% of Stores Higher than Group Average	50%	50%	67%	50%

Highest Payroll (Note 4)	\$ 30,990	\$ 30,882	\$ 26,967	\$ 27,634
Lowest Payroll	\$ 16,074	\$ 18,804	\$ 26,006	\$ 26,895
Average Payroll	\$ 25,468	\$ 25,494	\$ 26,502	\$ 27,265
Median Payroll	\$ 26,559	\$ 25,221	\$ 26,532	\$ 27,265
# of Stores Higher than Group Average	5	3	2	1
% of Stores Higher than Group Average	63%	50%	67%	50%

Highest Rent (Note 5)	\$	5,545	\$	5,577	\$	5,577	\$	3,887
Lowest Rent	\$	1,412	\$	1,407	\$	1,407	\$	1,437
Average Rent	\$	4,146	\$	4,111	\$	3,617	\$	2,662
Median Rent	\$	4,374	\$	4,543	\$	3,866	\$	2,662
# of Stores Higher than Group Average		5		4		2		1
% of Stores Higher than Group Average		63%		67%		67%		50%

Highest Utilities (Note 6)	\$	2,431	\$	3,176	\$	3,247	\$	1,493
Lowest Utilities	\$	1,480	\$	1,198	\$	1,153	\$	1,470
Average Utilities	\$	2,044	\$	2,119	\$	1,929	\$	1,482
Median Utilities	\$	2,177	\$	2,069	\$	1,386	\$	1,482
# of Stores Higher than Group Average		5		3		1		1
% of Stores Higher than Group Average		63%		50%		33%		50%

Highest Office/G&A (Note 7)	\$	2,897	\$	2,816	\$	2,101	\$	3,574
Lowest Office/G&A	\$	1,041	\$	1,300	\$	1,450	\$	2,731
Average Office/G&A	\$	1,925	\$	1,850	\$	1,805	\$	3,153
Median Office/G&A	\$	1,764	\$	1,565	\$	1,863	\$	3,153
# of Stores Higher than Group Average		3		2		2		1
% of Stores Higher than Group Average		38%		33%		67%		50%

Highest Advertising (Note 8)	\$	4,317	\$	1,011	\$	791	\$	1,525
Lowest Advertising	\$	280	\$	335	\$	638	\$	601
Average Advertising	\$	1,614	\$	693	\$	715	\$	1,063
Median Advertising	\$	1,087	\$	690	\$	715	\$	1,063
# of Stores Higher than Group Average		3		3		1		1
% of Stores Higher than Group Average		38%		50%		33%		50%

Highest Merchant Fees (Note 9)	\$	6,638	\$	7,865	\$	6,906	\$	8,778
Lowest Merchant Fees	\$	2,492	\$	5,034	\$	5,489	\$	6,983
Average Merchant Fees	\$	4,774	\$	6,489	\$	6,260	\$	7,881
Median Merchant Fees	\$	4,606	\$	6,569	\$	6,386	\$	7,881
# of Stores Higher than Group Average		4		3		2		1
% of Stores Higher than Group Average		50%		50%		67%		50%

Highest Royalty (Note 10)	\$ 6,217	\$ 6,158	\$ 6,149	\$ 6,376
Lowest Royalty	\$ 3,057	\$ 4,271	\$ 4,468	\$ 4,821
Average Royalty	\$ 4,707	\$ 5,376	\$ 5,554	\$ 5,599
Median Royalty	\$ 4,751	\$ 5,728	\$ 6,046	\$ 5,599
# of Stores Higher than Group Average	4	4	2	1
% of Stores Higher than Group Average	50%	67%	67%	50%

Highest Adertising Fund (Note 11)	\$ 2,072	\$ 2,053	\$ 2,050	\$ 2,125
Lowest Advertising Fund	\$ 1,019	\$ 1,424	\$ 1,489	\$ 1,607
Average Advertising Fund	\$ 1,569	\$ 1,792	\$ 1,851	\$ 1,866
Median Advertising Fund	\$ 1,584	\$ 1,910	\$ 2,015	\$ 1,866
# of Stores Higher than Group Average	4	4	2	1
% of Stores Higher than Group Average	50%	67%	67%	50%

Highest Total Expenses (Note 12)	\$ 54,357	\$ 55,497	\$ 51,919	\$ 53,574
Lowest Total Expenses	\$ 32,038	\$ 36,598	\$ 44,174	\$ 48,363
Average Total Expenses	\$ 46,247	\$ 47,924	\$ 48,232	\$ 50,969
Median Total Expenses	\$ 48,004	\$ 48,923	\$ 48,604	\$ 50,969
# of Stores Higher than Group Average	5	4	2	1
% of Stores Higher than Group Average	63%	67%	67%	50%

Highest Net Profit (Note 13)	\$ 25,316	\$ 27,928	\$ 24,213	\$ 21,928
Lowest Net Profit	\$ (14,738)	\$ 1,667	\$ 5,505	\$ 5,242
Average Net Profit	\$ 5,357	\$ 12,675	\$ 14,500	\$ 13,585
Median Net Profit	\$ 7,183	\$ 10,892	\$ 13,781	\$ 13,585
# of Stores Higher than Group Average	4	2	1	1
% of Stores Higher than Group Average	50%	33%	33%	50%

Number Of Stores In Sample	8	6	3	2
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TABLE 2
2024 Annual Statement of Sales and Expenses for All Affiliate-Operated
Jeff's Bagel Run Locations Over 12 Months Old As Of 12/31/24

	Top Store			Bottom Store		
Sales (Note 1)	\$	1,252,496	%	\$	841,884	%
COGS (Note 2)	\$	362,542	28.9%	\$	280,223	33.3%
Gross Margin (Note 3)	\$	889,954	71.1%	\$	561,662	66.7%
Expenses:						
Payroll Expense (Note 4)	\$	335,197	26.8%	\$	280,454	33.3%
Rent (Note 5)	\$	46,545	3.7%	\$	17,021	2.0%
Utilities (Note 6)	\$	19,600	1.6%	\$	19,515	2.3%
Office/G&A (Note 7)	\$	32,694	2.6%	\$	30,916	3.7%
Advertising (Note 8)	\$	8,759	0.7%	\$	8,523	1.0%
Merchant Fees (Note 9)	\$	101,910	8.1%	\$	87,892	10.4%
Royalty (Note 10)	\$	75,150	6.0%	\$	50,513	6.0%
Advertising Fund (Note 11)	\$	25,050	2.0%	\$	16,838	2.0%
Total Expenses (Note 12)	\$	644,904	51.5%	\$	511,671	60.8%
Net Profit (Note 13)	\$	245,051	19.6%	\$	49,991	5.9%