

Item 19**Financial Performance Representations**

The FTC's Franchise Rule permits a franchisor to disclose 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 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 performance at a particular location or under particular circumstances.

In this Item below, we provide historical data relating to:

- the sales for non-traditional franchised locations,
- the sales for any traditional franchised locations that were open for our full 2024 fiscal year, and
- sales for certain types of company-owned Caribou Coffee Coffeehouse locations as well as certain types of expenses.

The company-owned Coffeehouse locations are operated by CCOC. Please read the following information in conjunction with your review of the historical data.

The information presented in this Item 19 is a compilation of financial information that has not been audited. The tables should be read together with all of the related information about the factual basis and material assumptions underlying them.

You are strongly advised to perform an independent investigation of this opportunity to determine whether or not the franchise may be profitable, and to consult your attorney and other professional advisors before entering into a Franchise Agreement or Area Development Agreement.

Discussion of Historical Sales Distribution and Cost Factor Information for Caribou Coffee**Basis and Assumptions**

The sales and expense information that follows, and other related data in this Item 19, has been compiled using data provided to us by non-traditional franchised "Kiosk" locations, and seven traditional franchise locations, for our 2024 fiscal year (53 week year ended December 31, 2024), and unaudited financial data from certain types of company-owned Caribou Coffee Coffeehouse locations (Chalets and Cabins). The Chalet and Cabin information is provided for only Drive-Thru Chalet and Cabin Coffeehouses because these location types are the focus of development for new Coffeehouses by franchisees. The results in Tables 3 and 4 include results from company-owned Drive Thru Chalet and Cabin Coffeehouses. These Coffeehouses are defined as follows:

Chalet: our most prevalent Coffeehouse format, approximating 1,500 square feet, providing full coffee bar, food options and dine-in space. Chalet Coffeehouses may operate with or without drive-thru capabilities, although we expect new franchised Chalet Coffeehouses will include drive-thru capabilities. Coffeehouse locations include suburban, urban, central business district, office, airport, mall and some grocery store locations. Additionally, six affiliate (company-owned) and two traditional franchise Chalet locations were built during 2024.

Cabin: our newest Coffeehouse format, currently approximating 600 square feet, built as a drive-thru only concept equipped with a walk-up window. This Coffeehouse format provides a full coffee bar, limited food options and an outside patio seating/dining space. 23 Affiliate (company-owned)

Coffeehouses of this type were opened in 2022, 13 were opened in 2023, and seven were opened in 2024. Additionally, our first traditional franchised Cabin opened in late 2022, three opened in 2023, and two opened in 2024.

“Gross Sales” means all revenue from the sale of all Retail Products and Services and all other income of every kind and nature related to, derived from, or originating from the Coffeehouse, including barter and the proceeds of any business interruption insurance policies, whether for cash or credit, and regardless of theft, or of collection in the case of credit. Gross Sales excludes: **(a)** sales taxes and other taxes collected from customers and actually paid to the appropriate taxing authorities; **(b)** revenue derived from issuing or selling gift or loyalty cards (although revenue derived from selling Retail Products or Services to customers who use such cards for payment is included in Gross Sales); **(c)** discounts and promotions provided to customers as part of reasonable discount and promotion campaigns conducted in the ordinary course of business; and **(d)** the amount of any documented refunds or credits the Coffeehouse in good faith gives to customers (if those amounts were originally included in calculating Gross Sales).

The tables and notes in this Item provide financial performance data that are historical, and that are based on information from existing Caribou Coffee Coffeehouses that were active as of December 31, 2024 and had sales for entire fiscal 2024, unless otherwise specified. We are not able to estimate the impact on the cost of products and services resulting from events that affect the price of commodities like coffee, such as through the implementation or removal of new or increased tariffs.

Table 1: 2024 Kiosk (Non-Traditional Franchise) Gross Sales Distribution

The results in Table 1 represent reported sales volumes for non-traditional franchised Kiosk Coffeehouses, both with and without a drive-thru. There were 131 active non-traditional franchised Kiosk locations as of December 31, 2024 that recorded sales for the entirety of fiscal 2024. Results from new Kiosk openings in 2024 were excluded, as well as results from Kiosks that closed during, or for part of, the year. Nine Kiosk Coffeehouses that were not open for the full year were excluded from the results for that reason.

<u>Gross Sales Distribution</u>		Kiosk (Non-Traditional)				
2024						
		<u># of stores exceeding</u>				
<u>\$ Thousands</u>	<u># of Stores</u>	<u>Average Sales</u>	<u>Average</u>	<u>Median Sales</u>	<u>High Sales</u>	<u>Low Sales</u>
Grocery	68	\$267,063	32	\$265,142	\$637,103	\$76,041
Grocery with Drive Thru	38	\$561,546	15	\$465,259	\$1,481,412	\$209,047
Airport	6	\$1,836,096	3	\$1,881,009	\$2,930,027	\$680,800
All Other	19	\$486,137	8	\$367,395	\$1,126,002	\$271,339

Table 2: 2024 Traditional Franchise Gross Sales Distribution

The results in Table 2 represent reported sales volumes for traditional franchised Coffeehouses. There were seven active traditional franchised locations as of December 31, 2024 that recorded sales for the entirety of fiscal 2024. Results from new franchised openings in 2024 were excluded. Five franchised locations were excluded from the results for that reason.

<u>Gross Sales Disribution</u> 2024		Traditional Franchise				
		<u># of stores exceeding</u>				
<u>\$ Thousands</u>	<u># of Stores</u>	<u>Average Sales</u>	<u>Average</u>	<u>Median Sales</u>	<u>High Sales</u>	<u>Low Sales</u>
Cabin	5	\$681,311	3	\$605,352	\$980,373	\$513,585
Chalet	2	\$512,747	1	n/a	\$620,084	\$405,410

Table 3: 2024 Chalet and Cabin Sales Distribution Information

Annual Gross Sales Levels during the 53-week period

From December 27, 2023 to December 31, 2024

(Please read Table 3 together with notes below)

Table 3 below organizes the information based on the sales volume of the company-owned Drive-Thru Chalet and Cabin Coffeehouse locations for the 53-week period that started on December 27, 2023 and ended on December 31, 2024. Following the full year 53-week period results, tables are also provided which reflect performance for each fiscal half of the year (the 26-week period of December 27, 2023 through June 25, 2024 ("**First Half**"), and the 27-week period of June 26, 2024 through December 31, 2024 ("**Second Half**").

Sales Distribution 2024	Coffeehouse Format					
	Drive Thru Chalet			Cabin		
\$'s	%	Cumulative	Stores	%	Cumulative	Stores
Over 1,200,000	34.5%	34.5%	38	10.2%	10.2%	6
1,000,000-1,200,000	30.9%	65.5%	34	10.2%	20.3%	6
800,000-1,000,000	16.4%	81.8%	18	27.1%	47.5%	16
600,000-800,000	14.5%	96.4%	16	30.5%	78.0%	18
Less than 600,000	3.6%	100.0%	4	22.0%	100.0%	13
Total			110			59

First Half Sales Distribution H1 2024 (26 weeks)	Coffeehouse Format					
	Drive Thru Chalet			Cabin		
\$'s	%	Cumulative	Stores	%	Cumulative	Stores
Over 600,000	30.0%	30.0%	33	6.8%	6.8%	4
500,000-600,000	31.8%	61.8%	35	13.6%	20.3%	8
400,000-500,000	18.2%	80.0%	20	23.7%	44.1%	14
300,000-400,000	16.4%	96.4%	18	28.8%	72.9%	17
Less than 300,000	3.6%	100.0%	4	27.1%	100.0%	16
Total			110			59

Second Half Sales Distribution	Coffeehouse Format					
H2 2024 (27 weeks)	Drive Thru Chalet			Cabin		
\$'s	%	Cumulative	Stores	%	Cumulative	Stores
Over 600,000	40.9%	40.9%	45	13.6%	13.6%	8
500,000-600,000	27.3%	68.2%	30	13.6%	27.1%	8
400,000-500,000	17.3%	85.5%	19	32.2%	59.3%	19
300,000-400,000	10.9%	96.4%	12	22.0%	81.4%	13
Less than 300,000	3.6%	100.0%	4	18.6%	100.0%	11
Total			110			59

Coffeehouse Sales Distribution	Coffeehouse Format	
2024\$	Drive Thru Chalet	Cabin
Average Net Sales	\$1,104,835	\$821,192
# Stores achieving equal or greater than average sales	53	26
Median Net Sales	\$1,086,055	\$780,554
Highest Net Sales Unit	\$2,047,833	\$1,505,856
Lowest Net Sales Unit	\$446,253	\$338,577

Notes to Table 3:

- The results in Table 3 were for gross sales volumes for Company-Owned Coffeehouses of the type noted, all having a drive-thru. There were 110 Company-Owned Drive-Thru Chalet Coffeehouse locations and 59 Company-Owned Drive-Thru Cabin Coffeehouse locations that were active as of December 31, 2024 and recorded sales for the entirety of fiscal 2024. New Coffeehouse openings in 2024 are excluded from this data as well as results from Coffeehouses that were closed during, or for part of, the year. 16 Drive Thru Chalet and Cabin Coffeehouses that were not open for the full year were excluded from the results for these reasons.
- Cash flow rates for the sales tiers in Table 3 for the twelve months ending December 31, 2024 were:

Coffeehouse Format				
Cash Flow % Range	Drive Thru Chalet		Cabin	
2024	# Stores	AUV	# Stores	AUV
>25%	25	\$1,367,535	7	\$1,290,013
20-25%	32	\$1,197,400	5	\$1,126,434
15-20%	22	\$1,023,830	8	\$923,879
10-15%	15	\$985,859	11	\$841,142
<10%	16	\$732,156	28	\$612,302
	110		59	

- Cash Flow rates for the sales tiers in Table 3 for the First Half of FY2024 were:

Coffeehouse Format				
Cash Flow % Range	Drive Thru Chalet		Cabin	
<i>H1 2024 (26 weeks)</i>	<u># Stores</u>	<u>AUV</u>	<u># Stores</u>	<u>AUV</u>
>25%	26	\$664,445	7	\$611,904
20-25%	30	\$562,407	4	\$548,490
15-20%	20	\$531,225	4	\$471,389
10-15%	14	\$472,377	16	\$404,238
<10%	20	\$372,894	28	\$287,716
	110		59	

- Cash Flow rates for the sales tiers in Table 3 for the Second Half of FY2024 were:

Coffeehouse Format				
Cash Flow % Range	Drive Thru Chalet		Cabin	
<i>H2 2024 (27 weeks)</i>	<u># Stores</u>	<u>AUV</u>	<u># Stores</u>	<u>AUV</u>
>25%	26	\$706,013	9	\$666,494
20-25%	28	\$615,831	4	\$562,648
15-20%	26	\$537,062	10	\$469,724
10-15%	13	\$508,976	11	\$430,833
<10%	17	\$382,851	25	\$315,127
	110		59	

“Cash Flow” means profit after deducting the following costs and excludes depreciation, expressed as a percentage of Gross Sales: cost of goods sold; labor (including store manager labor); operating, marketing and occupancy expenses. Note that company-owned Chalet Coffeehouse Cash Flow presented in the table above does not include franchisee related costs such as royalties, product purchases, and other fees. Store leadership overhead and corporate overhead (or general and administrative expenses) is not included in Cash Flow.

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Table 4: Expense Distribution

Table 4 below organizes the information based on the sales and expense factors incurred at the 110 company-owned Caribou Coffee Drive-Thru Chalets and the 59 company-owned Caribou Coffee Cabin locations for the trailing twelve-month period ending December 31, 2024. Following the full year 53-week period results, tables are also provided which reflect performance for the First Half (the 26-week period of December 27, 2023 through June 25, 2024) and Second Half (the 27 week period June 26, 2024 through December 31, 2024).

FY2024 Sales & Expense Distribution

Sales & Expense Distribution	Coffeehouse Format	
2024	<u>Drive-Thru Chalet</u>	<u>Cabin</u>
WPSA \$'s	\$21,247	\$15,792
# Stores	110	59
AUV \$'s	\$1,104,835	\$821,192
Cash Flow %	20.2%	11.7%
<u>Company-owned Expense rates</u>		
COGS %	27.3%	26.5%
Labor %	30.5%	34.8%
Operating Exp. %	9.8%	11.6%
Marketing Exp.%	1.9%	1.8%
Occupancy %	10.3%	13.5%
AUV = annualized average sales volume		
DT= Drive Through		
Additional Franchisee related cost rates		
Royalty	5%	5%
Marketing	1%	1%
Additional Franchisee-related COGS	5-8%	5-8%
Franchisee Adjusted Cash Flow %	6% to 9%	-2% to 1%

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First Half FY2024 Sales & Expense Distribution

Sales & Expense Distribution	Coffeehouse Format	
<i>H1 2024 (26 weeks)</i>	<u>Drive-Thru Chalet</u>	<u>Cabin</u>
WPSA \$'s	\$20,575	\$14,920
# Stores	110	59
AUV \$'s	\$534,941	\$387,910
Cash Flow %	20.0%	10.0%
<u>Company-owned Expense rates</u>		
COGS %	27.2%	26.5%
Labor %	30.7%	35.8%
Operating Exp. %	9.9%	11.9%
Marketing Exp. %	1.9%	1.8%
Occupancy %	10.3%	14.0%
<u>Additional Franchisee related cost rates</u>		
Royalty	5%	5%
Marketing	1%	1%
Additional Franchisee-related COGS	5-8%	5-8%
Franchisee Adjusted Cash Flow %	6% to 9%	-4% to -1%

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Second Half FY2024 Sales & Expense Distribution

Sales & Expense Distribution	Coffeehouse Format	
H2 2024 (27 weeks)	Drive-Thru Chalet	Cabin
WPSA \$'s	\$21,107	\$16,047
# Stores	110	59
AUV \$'s	\$569,894	\$433,282
Cash Flow %	20.5%	13.1%
<u>Company-owned Expense rates</u>		
COGS %	27.4%	26.6%
Labor %	30.3%	33.8%
Operating Exp. %	9.8%	11.4%
Marketing Exp.%	1.8%	1.8%
Occupancy %	10.3%	13.2%
AUV = annualized average sales volume		
DT= Drive Through		
<u>Additional Franchisee related cost rates</u>		
Royalty	5%	5%
Marketing	1%	1%
Additional Franchisee-related COGS	5-8%	5-8%
Franchisee Adjusted Cash Flow %	7% to 10%	-1% to 2%

Notes to Table 4:

- The information and results provided in Table 4 are based on our affiliate's experience operating company-owned Coffeehouses in fiscal 2024, and should not be considered as the actual or potential costs that you will incur, nor will they be static over time given costs will vary with changes in market prices of key commodities such as coffee and dairy. Please note that because these are the results of company-owned Coffeehouses, these company-owned figures do not include costs that a franchisee will incur, such as royalties, incremental distribution and product costs that affect the franchisee COGS (defined below) rate, fees and the amortized portion of the initial franchise fee (if it was financed). Additionally, for some items we allocate internal charges to owned Coffeehouses that are less than the price charged to or will be incurred by a franchisee, because of our own internal accounting procedures, so as a result a franchisee will incur additional costs. Furthermore, company-owned Coffeehouses may experience economies of scale in distribution and freight costs which may not extend to a franchisee. However, we have estimated an approximate impact on cash flow rate for a franchisee based on expected terms of the franchise agreement.
- New Chalet and Cabin Coffeehouse openings in 2024 are excluded from the results in Table 4 as well as results from such Coffeehouses that were closed during, or for part of, the year. 16 Chalet and Cabin Coffeehouses that were not open for the full year were excluded from the results in Table 4 for that reason.
- The rates shown are the arithmetic averages of the results of the cost factors as a percentage of Gross Sales.
 - COGS is the total cost of products sold including the cost of coffee, beverage ingredients, food, paper, and other products. Franchisees will incur additional COGS costs, such as incremental product costs, that are adjusted in the table.

- Labor includes hourly and salaried employee compensation, bonuses, taxes, and benefits at the store level, but does not include corporate store leadership overhead.
 - Operating expenses include ordinary operating maintenance and repairs, planned and unplanned maintenance and repairs, supplies, and other miscellaneous operating expenses.
 - Marketing expenses relate to all marketing spend.
 - Occupancy expenses include rent, CAM, utilities and real estate taxes.
 - Cash Flow means profit after deducting the following costs and excluding depreciation, expressed as a percentage of Gross Sales: COGS; Labor (including store manager labor); and operating, marketing and occupancy expenses. Note that company-owned Cash Flow presented in the table above does not include franchisee related costs such as royalties, product purchases and other fees. However, as noted below, an amount of marketing expense included above would count toward franchisee ad fund rates. Store leadership overhead and corporate overhead (or general and administrative expenses) is not included in Cash Flow.
- The table presents additional franchisee related-COGS of +5-8% which includes an estimate of incremental freight and distribution costs a franchisee may occur when operating in “outer markets” with at least eight Coffeehouses. It is estimated that freight and distribution costs may be higher in “outer markets” when operating fewer than eight Coffeehouses, and that freight and distribution costs may be lower when operating a larger number of Coffeehouses in a market.

* * *

The above costs and Cash Flow rates do not include adjustments for any franchisee expenses, such as royalty fees and marketing contributions, that we do not incur for our own company-owned Coffeehouses, but that a franchisee would incur. COGS rates that the company-owned Coffeehouses experience also reflect efficiencies within the cost of distribution given the geographic concentration of Coffeehouses in Minnesota and surrounding market. Distribution costs will vary based on the geography of the franchised Coffeehouses. In addition, because we operate many company-owned Coffeehouses, we may have some labor-related efficiencies in the operation of our company-owned Coffeehouses that are not available to franchisees.

Other costs, as described below, have been excluded from this discussion, as we consider that differences in accounting and business practices would make comparative analysis inconclusive or misleading. You will incur other substantial costs in the operation of your Coffeehouse that are not included in this discussion, including, among others, local marketing expenses, mortgage or other debt/financing costs, computer upgrades, renovations, improvements, and major repair/maintenance expenses, legal and professional fees, income and other non-real estate taxes, and various other expenses (together, these are referred to as “**Additional Costs**”). You will incur Additional Costs and should determine and account, for yourself, the Additional Costs that you will have to have to pay.

Some Coffeehouses have sold these amounts. Your individual results may differ materially. There is no assurance you will sell as much.

Written substantiation for financial performance representations will be made available to prospective franchisees upon reasonable request.

We do not make any representations about a franchisee’s future financial performance or the past financial performance of company-owned or franchised outlets. 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 Jessica Monson, Chief Legal Officer, at

3900 Lakebreeze Avenue N., Minneapolis, Minn. 55429 (tel. 763-592-2200), the Federal Trade Commission, and the appropriate state regulatory agencies.

Item 20**Outlets and Franchisee Information**Table No. 1

Systemwide Outlet Summary for 2022 to 2024

Outlet Type	Year	Outlets at Start of Year	Outlets at End of Year	Net Change
Franchised	2022	139	145	+6
	2023	145	147	+2
	2024	147	152	+5
Affiliate-Owned	2022	321	339	+18
	2023	339	333	-6
	2024	333	335	+2
Total Outlets	2022	460	484	+24
	2023	484	480	-4
	2024	480	487	+7

Notes to all Item 20 charts:

- (1) All details are as of December 31, 2024 for FY 2024, December 26, 2023 for FY 2023, and December 27, 2022 for FY 2022.
- (2) States not listed had no activity during the relevant time frame.

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
for 2022 to 2024

State	Year	Number of Transfers
Minnesota	2022	3
	2023	1
	2024	2
Ohio	2022	0
	2023	0