

Special Risks to Consider about *This* Franchise

Certain states require the following risks be highlighted:

1. **Out-of-State Dispute Resolution.** The License Agreement requires you to resolve disputes with us by arbitration or litigation only in the state in which our then-current headquarters is located (currently California). Out of state or area arbitration or litigation may force you to accept a less favorable settlement for disputes. It may also cost more to arbitrate or litigate with us in the location we select than in your own state.
2. **Completion of Training.** If you do not complete training to our satisfaction, or if you do not pass any required testing, we may cancel the License Agreement at our sole discretion. There is no refund if we cancel your License Agreement for these reasons.
3. **Mandatory minimum payments.** You must make minimum royalty or advertising fund payments, regardless of your sales levels. Your inability to make the payments may result in termination of your franchise and loss of your investment.
4. **Unopened Franchises.** The franchisor has signed a significant number of franchise agreements with franchisees who have not yet opened their outlets. If other franchisees are experiencing delays in opening their outlets, you also may experience delays in opening your own outlet.
5. **Supplier Control.** You must purchase all or nearly all of the inventory or supplies that are necessary to operate your business from the franchisor, its affiliates, or suppliers that the franchisor designates, at prices the franchisor or they set. These prices may be higher than prices you could obtain elsewhere for the same or similar goods. This may reduce the anticipated profit of your franchise business.

Certain states may require other risks to be highlighted. Check the “State Specific Addenda” (if any) to see whether your state requires other risks to be highlighted.

SAMPLE PROMISSORY NOTE ("PN"), SECURITY AGREEMENT ("SA") AND CONTINUING GUARANTEE ("CG")	SECTION	SUMMARY
	CG – Sections 2.05, 2.06, 2.07, 2.09, 2.10 and 3.07	The courts of the State of California, or any United States District Court of California, or other court chosen by the lender. Waiver of venue objections. Full waiver of all legal defenses against payment and subrogation and of specified statutory rights and benefits.
w. Choice of law	PN – Section 4 and CG – Section 3.06 SA – Section 17	California law applies. Subject to state law. The California UCC applies (or the UCC of any other state if necessary for the enforcement of the security interest). For matters not covered by the applicable UCC, California law applies. Subject to applicable state law.

ITEM 18. PUBLIC FIGURES

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

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) the 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.

We are providing you with the following information to assist you in conducting your own investigation for the purchase of a Panda Express franchise. We hope that this information will be helpful to you in preparing your own business and future cash flow estimates; however, it is your sole responsibility to do your own research before purchasing a Panda Express franchise.

~~Your Restaurant may differ from the Panda Express Restaurants for which results are reported here in significant regards due to differences in markets and locations. These~~

~~variations include differences in weather, access, traffic flow, local market conditions, proximity of competition, consumer preferences and trends and various other demographics. The economic and business environment in a particular market is also an important factor. Therefore, you~~ cannot assume that the information provided is necessarily directly relevant to your market or any location from which you intend to operate a Panda Express franchise. You should independently verify whether the relevant factors and conditions in your intended area of operation are comparable to those in the areas of the reporting Panda Express Restaurants. You should also research the prices charged by competitors in your prospective market to determine the degree of price competition you will face.

We used information reported to us by our Licensees to prepare this document. We assume the information as supplied by them and their respective operations and Panda Express Restaurant managers to be accurate. The information has not been audited and should be read in conjunction with this document and the notes following the charts below (which form an integral part of the presentation). The information presented is not presented in accordance with generally accepted accounting principles.

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

Captive Venues - Licensed Panda Express Restaurants Only
Financial Performance Representations for the Full Fiscal Year 2024
Occurring December 31, 2023 to December 28, 2024

	Airport	Hospital	Military	University	Casino	Travel Plaza	Total
Total Gross Sales	85,875,528	1,826,193	75,940,332	64,053,798	7,538,285	12,035,896	247,270,032
Average Gross Sales	3,903,433	608,731	1,489,026	889,636	1,884,571	3,008,974	1,585,064
Minimum Gross Sales	767,490	512,872	400,353	246,547	1,146,308	246,547	246,547
Median Gross Sales	3,580,050	514,206	1,370,147	824,825	1,747,508	824,825	1,186,865
Maximum Gross Sales	9,233,961	799,115	2,984,075	2,514,523	2,896,962	2,514,523	9,233,961
Number of Units Exceeding Average Gross Sales	8	1	23	30	1	2	65
Percent of Units Exceeding Average Gross Sales	36%	33%	45%	42%	25%	50%	42%
Average Age of Units in Years	5.89	8.87	7.39	7.06	6.57	2.74	6.91
Number of Units Exceeding Average Age in Years	10	2	23	32	1	1	69
Percent of Units Exceeding Average Age in Years	45%	67%	45%	44%	25%	25%	44%
Median Age of Units in Years	5.26	9.86	6.81	6.39	5.83	2.54	6.38
Total Number of Units	22	3	51	72	4	4	156