

confidentiality agreement and non-compete as described in Items 14 and 17. The Confidentiality Agreement is attached to this disclosure document as Exhibit B.

**ITEM 16**

**RESTRICTIONS ON WHAT THE FRANCHISEE MAY SELL**

Franchisee must offer and sell only those products and services that Franchisor has approved.

Franchisee must offer all product and services at retail that Franchisor designates as required for all PJ’s Units, including new products or services that Franchisor develops in the future. There are no limits on Franchisor’s right to change the types of products and services or add new products and services. Franchisee may not offer or sell any other products or services without the prior written consent of Franchisor. Franchisee must discontinue offering any products or services, whether or not previously authorized by Franchisor, promptly upon written notice from Franchisor. Franchisee must provide for equipment or other items reasonably necessary to support new products or services introduced to enhance the value of the System.

All PJ’s Units must offer Franchisor-approved products and services as designated in the Manuals or in other writings.

**ITEM 17**

**RENEWAL, TERMINATION, TRANSFER, AND DISPUTE RESOLUTION**

**THE FRANCHISE RELATIONSHIP**

**This table lists certain important provisions of the franchise and related agreements. Franchisee should read these provisions in the agreements attached to this disclosure document. Some provisions are subject to applicable state law.**

Provision	Section in Franchise or Other Agreement	Summary
a. Length of the term of the Franchise	Article 14.1	Ten years from date the PJ’s Unit opens.
b. Renewal or extension of the term	Article 14.1	Franchisee’s renewal rights permit Franchisee to remain as a franchise after the initial term of Franchisee’s Franchise Agreement expires. If Franchisee wishes to renew and Franchisee satisfies the required pre-conditions to renew, Franchisor will offer Franchisee the option to renew the Franchise Agreement for three additional terms of ten years each. Franchisee must sign our then-current Franchise Agreement

Provision	Section in Franchise or Other Agreement	Summary
		Franchise; Franchisee has assumed the Agreement in a written assumption agreement approved by Franchisor, or has agreed to at closing; Franchisee, Franchisee's manager or other employees responsible for the operation of the Franchise have satisfactorily completed Franchisor's training program; Franchisee executes other documents as Franchisor may require, including Franchise Agreement.
n. Franchisor's right of first refusal to acquire Franchisee's PJ's Unit	Article 13.2	Franchisor can match any offer for Franchisee's PJ's Unit.
o. Franchisor's option to purchase Franchisee's PJ's Unit	Not Applicable.	Not Applicable.
p. Death or disability of Franchisee	Article 10	Franchisee's estate may transfer Franchisee's interest to Franchisee's heirs or beneficiaries, or a third party approved by Franchisor.
q. Non-competition covenants during the term of the Franchise	Articles 10 and 11	No involvement in similar business anywhere; cannot divert business to a competitor; Franchisee shall not employ or seek to employ, directly or indirectly, any person serving in an executive, managerial or operational position who is at the time or was at any time during the prior six months employed by Franchisor, without Franchisor's prior written consent. <u>This provision is subject to applicable state law.</u>
R. Non-competition covenants after the Franchise is terminated or expires	Article 10	No involvement in similar business for 24 months at the former site for Franchisee's PJ's Unit, at a site within a radius of 50 miles of any of Franchisee's former PJ's Units or within 20 miles of any other PJ's Units or Distribution Points then existing, unless Franchisor gives its prior written consent; no competing with or soliciting customers of PJ's or other PJ's Units. <u>This provision is subject to applicable state law.</u>
S. Modification of the agreement	Article 22	No modifications generally but standards, specifications, Manuals, products and services,

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, 2026, PJ's Coffee had a total of ~~477~~179 PJ's Units in the United States, and one (1) PJ's Unit in Vietnam. Of the total ~~477~~179 domestic PJ's Units, 122 were open for a full 12 months or greater and reported gross sales for the entire 12-month period. The remaining PJ's Units consist of ~~55~~57 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.

We compiled the annual gross sales for 122 franchised PJ's Units for the calendar year 2025. The 122 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>2025 Average Gross Sales by Category - Traditional PJ's Units with a Drive-thru</b>					
Category	Number of Units in Category	Average Gross Sales	Number and Percentage that Attained or Exceeded the Average	Median Gross Sales	Lowest and Highest in the Category
Top 10%	9	\$1,180,776	3 / 33%	\$1,143,686	\$1,043,093 / \$1,414,354
Top 25%	22	\$996,706	9 / 41%	\$968,459	\$777,224 / \$1,414,354
Top 50%	44	\$840,629	17 / 39%	\$777,224	\$579,586 / \$1,414,354
Bot 50%	44	\$437,538	20 / 45%	\$429,064	\$166,825 / \$574,328
Bot 25%	22	\$365,253	13 / 59%	\$377,560	\$166,825 / \$429,064
Bot 10%	9	\$315,833	6 / 67%	\$330,297	\$166,825 / \$366,469

<b>2025 Average Gross Sales by Category - Traditional PJ's Units without a Drive-thru</b>					
Category	Number of Units in Category	Average Gross Sales	Number and Percentage that Attained or Exceeded the Average	Median Gross Sales	Lowest and Highest in the Category
Top 10%	2	\$989,166	1 / 50%	\$989,166	\$923,465 / \$1,054,867
Top 25%	6	\$868,199	2 / 33%	\$830,835	\$763,835 / \$1,054,867
Top 50%	12	\$708,635	7 / 58%	\$752,841	\$406,6035 / \$1,054,867
Bot 50%	12	\$327,248	7 / 58%	\$332,267	\$212,049 / \$402,762
Bot 25%	6	\$278,451	3 / 50%	\$276,865	\$212,049 / \$328,661
Bot 10%	2	\$239,847	1 / 50%	\$239,847	\$212,049 / \$267,645

**ADDENDUM TO**  
**NEW ORLEANS BREW, LLC FRANCHISE DISCLOSURE DOCUMENT**  
**REQUIRED BY THE STATE OF MINNESOTA**

For franchises and franchisees subject to the Minnesota Franchise Act, the following information supersedes or supplements, as the case may be, the corresponding disclosures in the main body of the text of the New Orleans Brew, LLC Franchise Disclosure Document.

Item 13

The Minnesota Department of Commerce requires that we indemnify Minnesota franchisees against liability to third parties resulting from claims by third parties that their use of our Marks infringes upon the trademark rights of the third party. We will not indemnify any franchisee against the consequences of their use of our Marks except in accordance with the requirements of the Franchise Agreement, and as the condition to an indemnification, the franchisee must provide notice to us of any such claim immediately and tender the defense of the claim to us. If we accept tender of defense, we have the right to manage the defense of the claim, including the right to compromise, settle or otherwise resolve the claim, or to determine whether to appeal a final determination of the claim.

Item 17

Minn. Stat. Sec. 80C.21 and Minn. Rule 2860.4400J prohibit us from requiring litigation to be conducted outside of Minnesota. In addition, nothing in the Disclosure Document shall abrogate or reduce any of your rights as provided for in Minn. Stat. Sec. 80C, or your rights to any procedure, forum or remedies provided for by the laws of the jurisdiction.

With respect to franchises governed by Minnesota law, New Orleans Brew, LLC will comply with Minnesota Statute Section 80C.14. Subd. 3 – 5, which requires (except in certain specified cases) (1) that a franchisee be given 90 days' notice of termination (with 60 days to cure) and 180 days' notice for non-renewal of the Franchise Agreement.

Minnesota Rule 2860.4400D prohibits us from requiring you to assent to a release, assignment, novation, or waiver that would relieve any person from liability imposed by Minnesota Statute §§ 80C.01 - 80C.22.

Minnesota Rule 2860.4400J, among other things, prohibits us from requiring you to waive your rights to a jury trial or to consent to liquidated damages, termination penalties, or judgment notes.

The Minnesota Department of Commerce requires that we post a Surety Bond – we have complied with that requirement.

**THESE FRANCHISES HAVE BEEN REGISTERED UNDER THE MINNESOTA FRANCHISE ACT. REGISTRATION DOES NOT CONSTITUTE APPROVAL, RECOMMENDATION OR ENDORSEMENT BY THE COMMISSIONER OF COMMERCE OF MINNESOTA OR A FINDING BY THE COMMISSIONER THAT THE INFORMATION PROVIDED HEREIN IS TRUE, COMPLETE AND NOT MISLEADING. THE MINNESOTA FRANCHISE ACT MAKES IT UNLAWFUL TO OFFER OR SELL ANY FRANCHISE IN THIS STATE WHICH IS SUBJECT TO REGISTRATION WITHOUT FIRST PROVIDING TO THE PROSPECTIVE FRANCHISEE, AT LEAST 7 DAYS PRIOR TO THE EXECUTION BY THE PROSPECTIVE FRANCHISEE OF ANY BINDING FRANCHISE OR OTHER AGREEMENT, OR AT LEAST 7**

**DAYS PRIOR TO THE PAYMENT OF ANY CONSIDERATION, BY THE FRANCHISEE, WHICHEVER OCCURS FIRST, A COPY OF THIS PUBLIC OFFERING STATEMENT, TOGETHER WITH A COPY OF ALL PROPOSED AGREEMENTS RELATING TO THE FRANCHISE. THIS PUBLIC OFFERING STATEMENT CONTAINS A SUMMARY ONLY OF CERTAIN MATERIAL PROVISIONS OF THE FRANCHISE AGREEMENT. THE CONTRACT OR AGREEMENT SHOULD BE REFERRED TO FOR AN UNDERSTANDING OF ALL RIGHTS AND OBLIGATIONS OF BOTH THE FRANCHISOR AND THE FRANCHISEE.**