

La Fayette Franchise



ANNUAL REPORT

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Coral Gables, FL 33134

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<http://www.lesmoulinslafayetteusa.com/>

This Annual Report is dated April 27, 2022.

BUSINESS

Our business development consists of franchising in the U.S.A., a Canadian bakery concept. First, we sell our concept to franchisees, who then handle the upfront investment to build bakeries.

From each franchisee, we collect the original franchise fees (\$30k), a training fee (\$5k), a royalty fee (6% of gross revenue per year), and a marketing fee (1% of gross revenue per year).

La Fayette Franchise provides franchisees support with strategic location selection, lease negotiation, design, and equipment. We also train future franchisees on operating procedures, business management and customer service.

La Fayette Franchise does not own any restaurant, thereby mitigating investors' risk.

Thanks to an artisanal production facility that supplies franchisees with bakery goods, our concept heavily simplifies bakery operations. Therefore, we offer future franchisees an attractive and "easy to run" business.

Previous Offerings

The company has not issued any fundraising during the last three years except on the StartEngine platform.

REGULATORY INFORMATION

The company has not previously failed to comply with the requirements of Regulation Crowdfunding;

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

AND RESULTS OF OPERATION

Operating Results – 2021 Compared to 2020

Circumstances that led to the performance of financial statements:

After the opening of the flagship bakery in Aventura Mall in June 2021, the company was able to launch a marketing campaign for the franchise. In September, the company organized its first discovery days for prospective franchisees, allowing them to discover the concept and taste the bakery goods. The first franchise contracts are expected to be signed in early 2022.

Historical results and cash flows:

The year 2020 was dedicated to the creation of the franchise, setting up the legal documentation and designing its marketing tools. In 2021, the company was dedicated to the launch of the franchise marketing. In 2022, first franchise contracts should be signed and franchise fees collected. In 2023, the company should collect both franchise fees and royalty fees after the opening of the first bakeries.

Liquidity and Capital Resources

At December 31, 2021, the Company had cash of \$19,161.00. [*The Company intends to raise additional funds through an equity financing.*]

Debt

Creditor: Nicolas Billaud

Amount Owed: \$0.0

Interest Rate: 0.0%

In 2021, the company fully repaid the \$5,650 advance received at the end of 2020. The advances were unsecured, non-interest bearing, and due on demand.

DIRECTORS, EXECUTIVE OFFICERS AND SIGNIFICANT EMPLOYEES

Our directors and executive officers as of the date hereof, are as follows:

Name: Nicolas Billaud

Nicolas Billaud's current primary role is with the Issuer.

Positions and offices currently held with the issuer:

Position: co-CEO

Dates of Service: May 26, 2020 - Present

Responsibilities: Development strategy, finance, and legal matters. Nicolas received a salary of \$66,552 in 2021. He didn't take equity compensation.

Other business experience in the past three years:

Employer: Barnes Commercial Real Estate

Title: Managing Partner

Dates of Service: January 01, 2014 - December 31, 2019

Responsibilities: Broker in commercial real estate

Other business experience in the past three years:

Employer: Les Moulins La Fayette USA, LLC

Title: Manager

Dates of Service: August 14, 2015 - Present

Responsibilities: Finance, Legal

Name: Vincent Poudras

Vincent Poudras's current primary role is with Les Moulins La Fayette USA, LLC. Vincent Poudras currently services 25 hours per week in their role with the Issuer.

Positions and offices currently held with the issuer:

Position: co-CEO

Dates of Service: May 26, 2020 - Present

Responsibilities: Development strategy and business operations. Vincent received a salary of \$48,605 in 2021. He didn't take equity compensation.

Other business experience in the past three years:

Employer: Les Moulins La Fayette USA, LLC

Title: Manager

Dates of Service: August 14, 2015 - Present

Responsibilities: Business operations

PRINCIPAL SECURITY HOLDERS

Set forth below is information regarding the beneficial ownership of our Common Stock, our only outstanding class of capital stock, as of December 31, 2021, by (i) each person whom we know owned, beneficially, more than 10% of the outstanding shares of our Common Stock, and (ii) all of the current officers and directors as a group. We believe that, except as noted below, each

named beneficial owner has sole voting and investment power with respect to the shares listed. Unless otherwise indicated herein, beneficial ownership is determined in accordance with the rules of the Securities and Exchange Commission and includes voting or investment power with respect to shares beneficially owned.

Title of class: Common Stock

Stockholder Name: Nicolas Billaud

Amount and nature of Beneficial ownership: 500,000

Percent of class: 50.0 (voting rights)

Title of class: Common Stock

Stockholder Name: Vincent Poudras

Amount and nature of Beneficial ownership: 500,000

Percent of class: 50.0 (voting rights)

RELATED PARTY TRANSACTIONS

Name of Entity: Nicolas Billaud

Relationship to Company: Director

Nature / amount of interest in the transaction: Advances received amounted to \$5,650 at the end of 2020. The company fully repaid these advances in 2021.

Material Terms: The advances are unsecured, non-interest bearing, and due on demand.

OUR SECURITIES

Common Stock

The amount of security authorized is 2,000,000 with a total of 1,000,000 outstanding.

Voting Rights

One vote per share.

Material Rights

Voting Rights of Securities Sold in this Offering

Voting Proxy. Each Subscriber shall appoint the Chief Executive Officer of the Company (the "CEO"), or his or her successor, as the Subscriber's true and lawful proxy and attorney, with the power to act alone and with full power of substitution, to, consistent with this instrument and on behalf of the Subscriber, (i) vote all Securities, (ii) give and receive notices and communications, (iii) execute any instrument or document that the CEO determines is necessary or appropriate in the exercise of its authority under this instrument, and (iv) take all actions necessary or appropriate in the judgment of the CEO for the accomplishment of the foregoing. The proxy and power granted by the Subscriber pursuant to this Section are coupled with an interest. Such proxy and power will be irrevocable. The proxy and power, so long as the Subscriber is an individual, will survive the death, incompetency and disability of the Subscriber and, so long as the Subscriber is an entity, will survive the merger or reorganization of the Subscriber or any

other entity holding the Securities. However, the Proxy will terminate upon the closing of a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933 covering the offer and sale of Common Stock or the effectiveness of a registration statement under the Securities Exchange Act of 1934 covering the Common Stock.

What it means to be a minority holder

As a minority holder you will have limited ability, if at all, to influence our policies or any other corporate matter, including the election of directors, changes to our company's governance documents, additional issuances of securities, company repurchases of securities, a sale of the company or of assets of the company or transactions with related parties.

Dilution

Investors should understand the potential for dilution. The investor's stake in a company could be diluted due to the company issuing additional shares. In other words, when the company issues more shares, the percentage of the company that you own will decrease, even though the value of the company may increase. You will own a smaller piece of a larger company. This increase in number of shares outstanding could result from a stock offering (such as an initial public offering, another crowdfunding round, a venture capital round or angel investment), employees exercising stock options, or by conversion of certain instruments (e.g. convertible notes, preferred shares or warrants) into stock.

If we decide to issue more shares, an investor could experience value dilution, with each share being worth less than before, and control dilution, with the total percentage an investor owns being less than before. There may also be earnings dilution, with a reduction in the amount earned per share (though this typically occurs only if we offer dividends, and most early stage companies are unlikely to offer dividends, preferring to invest any earnings into the company).

The type of dilution that hurts early-stage investors most occurs when the company sells more shares in a "down round," meaning at a lower valuation than in earlier offerings.

If you are making an investment expecting to own a certain percentage of the company or expecting each share to hold a certain amount of value, it's important to realize how the value of those shares can decrease by actions taken by the company. Dilution can make drastic changes to the value of each share, ownership percentage, voting control, and earnings per share.

RISK FACTORS

Uncertain Risk

An investment in the Company (also referred to as "we", "us", "our", or "Company") involves a high degree of risk and should only be considered by those who can afford the loss of their entire investment. Furthermore, the purchase of any of the Common Stock should only be undertaken by persons whose financial resources are sufficient to enable them to indefinitely retain an illiquid investment. Each investor in the Company should consider all of the information provided to such potential investor regarding the Company as well as the following risk factors, in addition to the other information listed in the Company's Form C. The following risk factors are not intended, and shall not be deemed to be, a complete description of the commercial and other

risks inherent in the investment in the Company.

Our business projections are only projections

There can be no assurance that the Company will meet our projections. There can be no assurance that the Company will be able to find sufficient demand for our product, that people think it's a better option than a competing product, or that we will be able to provide the service at a level that allows the Company to make a profit and still attract business.

Any valuation at this stage is difficult to assess

The valuation for the offering was established by the Company. Unlike listed companies that are valued publicly through market-driven stock prices, the valuation of private companies, especially startups, is difficult to assess and you may risk overpaying for your investment.

The transferability of the Securities you are buying is limited

Any Common Stock purchased through this crowdfunding campaign is subject to SEC limitations of transfer. This means that the stock/note that you purchase cannot be resold for a period of one year. The exception to this rule is if you are transferring the stock back to the Company, to an "accredited investor," as part of an offering registered with the Commission, to a member of your family, trust created for the benefit of your family, or in connection with your death or divorce.

Your investment could be illiquid for a long time

You should be prepared to hold this investment for several years or longer. For the 12 months following your investment there will be restrictions on how you can resell the securities you receive. More importantly, there is no established market for these securities and there may never be one. As a result, if you decide to sell these securities in the future, you may not be able to find a buyer. The Company may be acquired by an existing player in the hospitality industry. However, that may never happen or it may happen at a price that results in you losing money on this investment.

If the Company cannot raise sufficient funds it will not succeed

The Company, is offering Common Stock in the amount of up to \$107,000 in this offering, and may close on any investments that are made. Even if the maximum amount is raised, the Company is likely to need additional funds in the future in order to grow, and if it cannot raise those funds for whatever reason, including reasons relating to the Company itself or the broader economy, it may not survive. If the Company manages to raise only the minimum amount of funds, sought, it will have to find other sources of funding for some of the plans outlined in "Use of Proceeds."

We may not have enough capital as needed and may be required to raise more capital.

We anticipate needing access to credit in order to support our working capital requirements as we grow. Although interest rates are low, it is still a difficult environment for obtaining credit on favorable terms. If we cannot obtain credit when we need it, we could be forced to raise additional equity capital, modify our growth plans, or take some other action. Issuing more equity may require bringing on additional investors. Securing these additional investors could require

pricing our equity below its current price. If so, your investment could lose value as a result of this additional dilution. In addition, even if the equity is not priced lower, your ownership percentage would be decreased with the addition of more investors. If we are unable to find additional investors willing to provide capital, then it is possible that we will choose to cease our sales activity. In that case, the only asset remaining to generate a return on your investment could be our intellectual property. Even if we are not forced to cease our sales activity, the unavailability of credit could result in the Company performing below expectations, which could adversely impact the value of your investment.

Terms of subsequent financings may adversely impact your investment

We will likely need to engage in common equity, debt, or preferred stock financings in the future, which may reduce the value of your investment in the Common Stock. Interest on debt securities could increase costs and negatively impact operating results. Preferred stock could be issued in series from time to time with such designation, rights, preferences, and limitations as needed to raise capital. The terms of preferred stock could be more advantageous to those investors than to the holders of Common Stock. In addition, if we need to raise more equity capital from the sale of Common Stock, institutional or other investors may negotiate terms that are likely to be more favorable than the terms of your investment, and possibly a lower purchase price per share.

Management Discretion as to Use of Proceeds

Our success will be substantially dependent upon the discretion and judgment of our management team with respect to the application and allocation of the proceeds of this Offering. The use of proceeds described below is an estimate based on our current business plan. We, however, may find it necessary or advisable to re-allocate portions of the net proceeds reserved for one category to another, and we will have broad discretion in doing so.

Projections: Forward Looking Information

Any projections or forward looking statements regarding our anticipated financial or operational performance are hypothetical and are based on management's best estimate of the probable results of our operations and will not have been reviewed by our independent accountants. These projections will be based on assumptions which management believes are reasonable. Some assumptions invariably will not materialize due to unanticipated events and circumstances beyond management's control. Therefore, actual results of operations will vary from such projections, and such variances may be material. Any projected results cannot be guaranteed.

We are reliant on one main type of service

All of our current services are variants on one type of service, franchising the Les Moulins La Fayette bakery brand in the US. Our revenues are therefore dependent upon the market demand for such bakery goods.

Minority Holder; Securities with Voting Rights

The common stock that you are buying has voting rights attached to them. However, you are granting the right to vote, by proxy, to the CEO and his or her successor. You will be part of the minority shareholders of the Company and therefore will have a limited ability to influence management's decisions on how to run the business. You are trusting in management discretion

in making good business decisions that will grow your investments. Furthermore, in the event of a liquidation of our company, you will only be paid out if there is any cash remaining after all of the creditors of our company have been paid out.

You are trusting that management will make the best decision for the company

You are trusting in management discretion. You are buying securities as a minority holder, and therefore must trust the management of the Company to make good business decisions that grow your investment.

Insufficient Funds

The company might not sell enough securities in this offering to meet its operating needs and fulfill its plans, in which case it will cease operating and you will get nothing. Even if we sell all the common stock we are offering now, the Company will (possibly) need to raise more funds in the future, and if it can't get them, we will fail. Even if we do make a successful offering in the future, the terms of that offering might result in your investment in the company being worth less, because later investors might get better terms.

This offering involves "rolling closings," which may mean that earlier investors may not have the benefit of information that later investors have.

Once we meet our target amount for this offering, we may request that StartEngine instruct the escrow agent to disburse offering funds to us. At that point, investors whose subscription agreements have been accepted will become our investors. All early-stage companies are subject to a number of risks and uncertainties, and it is not uncommon for material changes to be made to the offering terms, or to companies' businesses, plans or prospects, sometimes on short notice. When such changes happen during the course of an offering, we must file an amended to our Form C with the SEC, and investors whose subscriptions have not yet been accepted will have the right to withdraw their subscriptions and get their money back. Investors whose subscriptions have already been accepted, however, will already be our investors and will have no such right.

Our new product could fail to achieve the sales projections we expected

Our growth projections are based on an assumption that with an increased advertising and marketing budget our products will be able to gain traction in the marketplace at a faster rate than our current products have. It is possible that our new products will fail to gain market acceptance for any number of reasons. If the new products fail to achieve significant sales and acceptance in the marketplace, this could materially and adversely impact the value of your investment.

We face significant market competition

We will compete with larger, established companies who currently have similar products on the market. They may have much better financial means and marketing/sales and human resources than us. They may succeed in developing and marketing competing equivalent or similar products earlier than us, or superior products than those developed by us. There can be no assurance that competitors will render our products obsolete or that the products developed by us will be preferred. It should further be assumed that competition will intensify.

We are an early stage company and have not yet generated any profits

La Fayette Franchise LLC was formed on May 26, 2020. Accordingly, the Company has a limited history upon which an evaluation of its performance and future prospects can be made. Our current and proposed operations are subject to all business risks associated with new enterprises. These include likely fluctuations in operating results as the Company reacts to developments in its market, managing its growth and the entry of competitors into the market. We will only be able to pay dividends on any shares once our directors determine that we are financially able to do so. La Fayette Franchise LLC has incurred a net loss and has had limited revenues generated since inception. There is no assurance that we will be profitable in the next 3 years or generate sufficient revenues to pay dividends to the holders of the shares.

We are an early stage company and have limited revenue and operating history

The Company has a short history, few customers, and effectively no revenue. If you are investing in this company, it's because you think that La Fayette Franchise is a good idea, that the team will be able to successfully market, and sell the product or service, that we can price them right and sell them to enough peoples so that the Company will succeed. Further, we have never turned a profit and there is no assurance that we will ever be profitable.

The loss of one or more of our key personnel, or our failure to attract and retain other highly qualified personnel in the future, could harm our business

To be successful, the Company requires capable people to run its day to day operations. As the Company grows, it will need to attract and hire additional employees in sales, marketing, design, development, operations, finance, legal, human resources and other areas. Depending on the economic environment and the Company's performance, we may not be able to locate or attract qualified individuals for such positions when we need them. We may also make hiring mistakes, which can be costly in terms of resources spent in recruiting, hiring and investing in the incorrect individual and in the time delay in locating the right employee fit. If we are unable to attract, hire and retain the right talent or make too many hiring mistakes, it is likely our business will suffer from not having the right employees in the right positions at the right time. This would likely adversely impact the value of your investment.

We rely on third parties to provide services essential to the success of our business

We rely on third parties to provide a variety of essential business functions for us, including manufacturing, shipping, accounting, legal work, public relations, advertising, retailing, and distribution. It is possible that some of these third parties will fail to perform their services or will perform them in an unacceptable manner. It is possible that we will experience delays, defects, errors, or other problems with their work that will materially impact our operations and we may have little or no recourse to recover damages for these losses. A disruption in these key or other suppliers' operations could materially and adversely affect our business. As a result, your investment could be adversely impacted by our reliance on third parties and their performance.

The Company is vulnerable to hackers and cyber-attacks

As an internet-based business, we may be vulnerable to hackers who may access the data of our investors and the issuer companies that utilize our platform. Further, any significant disruption in service on La Fayette Franchise, Inc. or in its computer systems could reduce the

attractiveness of the platform and result in a loss of investors and companies interested in using our platform. Further, we rely on a third-party technology provider to provide some of our back-up technology. Any disruptions of services or cyber-attacks either on our technology provider or on La Fayette Franchise, Inc. could harm our reputation and materially negatively impact our financial condition and business.

Natural disasters and other events beyond our control could materially adversely affect us.

Natural disasters or other catastrophic events may cause damage or disruption to our operations, international commerce, and the global economy, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, fire, power shortages, pandemics and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our services to our customers and could decrease demand for our services. In December 2019, a novel strain of coronavirus, COVID-19, was reported in Wuhan, China. The World Health Organization has since declared the outbreak to constitute a pandemic. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers and our sales cycles, impact on our customer, employee or industry events, and effect on our vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain. If the COVID-19 outbreak continues to spread, we may need to limit operations or implement limitations, including work from home policies. There is a risk that other countries or regions may be less effective at containing COVID-19, or it may be more difficult to contain if the outbreak reaches a larger population or broader geography, in which case the risks described herein could be elevated significantly.

RESTRICTIONS ON TRANSFER

The common stock sold in the Regulation CF offering, may not be transferred by any purchaser, for a period of one-year beginning when the securities were issued, unless such securities are transferred:

- (1) to the Company;
- (2) to an accredited investor;
- (3) as part of an offering registered with the SEC; or
- (4) to a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

SIGNATURES

Pursuant to the requirements of Sections 4(a)(6) and 4A of the Securities Act of 1933 and Regulation Crowdfunding (§ 227.100-503), the issuer certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form C and has duly caused this Form to be signed on its behalf by the duly authorized undersigned, on April 27, 2022.

La Fayette Franchise

By /s/ *Nicolas Billaud*

Name: La Fayette Franchise

Title: co-CEO

Exhibit A

FINANCIAL STATEMENTS

LA FAYETTE FRANCHISE INC

Balance Sheet

As of December 31, 2021

	Dec 31, 21
ASSETS	
Current Assets	
Checking/Savings	
Bank of America *7270	385.88
Total Checking/Savings	385.88
Other Current Assets	
Accounts Receivables	756.00
Total Other Current Assets	756.00
Total Current Assets	1,141.88
Other Assets	
Escrow Account	18,019.37
Total Other Assets	18,019.37
TOTAL ASSETS	19,161.25
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Credit Cards	
BOA CC#3652	5,964.71
Total Credit Cards	5,964.71
Other Current Liabilities	
Payroll Tax Liabilities	4,909.89
Total Other Current Liabilities	4,909.89
Total Current Liabilities	10,874.60
Total Liabilities	10,874.60
Equity	
Additional Paid In Capital	1,000.00
Common Stock - \$5 Par Value	
224,000 Authorised	
Equity Prime Trust LLC	306,223.15
Total 224,000 Authorised	306,223.15
Total Common Stock - \$5 Par Value	306,223.15
Retained Earnings	-99,149.53
Net Income	-199,786.97
Total Equity	8,286.65
TOTAL LIABILITIES & EQUITY	19,161.25

LA FAYETTE FRANCHISE INC
Profit & Loss
January through December 2021

	Jan - Dec 21
Ordinary Income/Expense	
Expense	
Advertising and Promotion	
Advertising and Marketing	23,926.91
Startengine Platform Fees	1,458.00
Total Advertising and Promotion	25,384.91
Bank Service Charges	145.56
Business Licenses and Permits	550.00
Dues and Subscriptions	229.00
Insurance Expense	0.00
Investor Benefits	3,999.71
Meals and Entertainment	1,564.44
Non Deductible Expense	
Taxes	4,531.88
Total Non Deductible Expense	4,531.88
Office Supplies	1,114.91
Payroll Expenses	
Officer Salary	
Nicolas Billaud	66,552.66
Vincent Poudras	48,605.51
Officer Salary - Other	0.00
Total Officer Salary	115,158.17
Payroll Fees	1,212.82
Total Payroll Expenses	116,370.99
Payroll Taxes	
FICA - MC	1,669.78
FICA - SS	7,139.80
FUTA	84.00
SUTA	378.00
Total Payroll Taxes	9,271.58
Postage and Delivery	7,996.36
Professional Fees	
Accounting Fees	3,454.00
Consulting Fees	11,350.00
Franchise Fees	842.00
Legal Fees	6,045.60
Total Professional Fees	21,691.60
Rent Expense	783.00
Sales Tax	0.00
Travel Expense	3,731.51
Utilities	0.00
Web Site Expenses	2,721.52
Total Expense	200,086.97
Net Ordinary Income	-200,086.97
Other Income/Expense	
Other Income	
Credit Card Rewards	300.00
Total Other Income	300.00
Net Other Income	300.00
Net Income	-199,786.97

I, NICOLAS RILLAUD (Print Name), the co-CEO (Principal Executive Officers) of LA FAYETTE FRANCHISE (Company Name), hereby certify that the financial statements of LA FAYETTE FRANCHISE (Company Name) and notes thereto for the periods ending 12/31/2020 (first Fiscal Year End of Review) and 12/31/2021 (second Fiscal Year End of Review) included in this Form C offering statement are true and complete in all material respects and that the information below reflects accurately the information reported on our federal income tax returns.

For the year [MOST RECENT YEAR] the amounts reported on our tax returns were total income of \$ 0; taxable income of \$ 0 and total tax of \$ 0.

If the company has not filed tax returns please replace above sentence with options below and then include the information for the previous year if applicable:

[Company] has not yet filed its federal tax return for [year]."

If the company is a brand new company please replace above sentence with:

"[Company] was not in existence for the previous tax year."

If neither of these apply, please delete these additional instructions

IN WITNESS THEREOF, this Principal Executive Officer's Financial Statement Certification has been executed as of the 4/23/2022 (Date of Execution).

 (Signature)

co-CEO (Title)

4/22/2022 (Date)

CERTIFICATION

I, Nicolas Billaud, Principal Executive Officer of La Fayette Franchise, hereby certify that the financial statements of La Fayette Franchise included in this Report are true and complete in all material respects.

Nicolas Billaud

co-CEO