

Provision	Section in Franchise Agreement or Other Agreement	Summary
m. Conditions for our approval of transfer	Section 14(B)	New franchisee qualifies and completes training, all amounts owed us or our affiliates are paid, and you are in good standing, new franchisee assumes existing Franchise Agreement or (at our option) signs then-current agreement, pay transfer fee, assign lease (if applicable), and you and your Owners comply with all non-compete provisions and sign a general release.
n. Our right of first refusal to acquire your business	Section 14(E)	We can match any offer for your Business.
o. Our option to purchase your business	Not Applicable	
p. Your death or disability	Section 14(C)	Franchise must be assigned by estate to an approved buyer within reasonable time not exceeding 12 months.
q. Non-competition covenants during the term of the franchise	Section 13(B), (C) and (E)	No involvement in any business that offers or sells school pictures, sports and recreation league pictures, portraits, and other services related products and accessories, or any other offerings or items similar to the Services and Products, including any other business that may be confusingly similar to an Inter-State Studio business. (subject to state law)
r. Non-competition covenants after the franchise is terminated or expires	Sections 13(D) and (E); Exhibit E	No involvement in any business that offers or sells school pictures, sports and recreation league pictures, portraits, or any other offerings or items similar to the Services and Products, including any other business that may be confusingly similar to an Inter-State Studio business in the former Territory of the Business, or within a 25-mile radius of the former Territory of the Business or any other then-existing Inter-State Studio business, for a period of 18 months following the termination or expiration of the Franchise Agreement. (subject to state law)
s. Modification of the agreement	Section 20(F)	No modifications generally, except in writing. We may modify Operations Manual, Marks, System and goods/services to be offered to your Business.
t. Integration/merger clause	Section 20(N)	Only the terms of the Franchise Agreement (including exhibits) are binding (subject to federal and state law). Any other promises may not be enforceable. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	Section 19	Except for actions we bring for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes first will be subject to non-binding mediation in the county where our headquarters is located, then (if not resolved) to binding arbitration in the county where our headquarters is located (subject to applicable law).
v. Choice of forum	Section 20(D)	Litigation (to the extent permitted) must be in state or federal court in the in the county where our headquarters is located at the time the suit is commenced (subject to applicable law). We also have the right to file suit where the Business is located (subject to applicable law).
w. Choice of law	Section 20(E)	Missouri law applies (subject to state law).

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote our 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 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 possible performance at a particular location or under particular circumstances.

Presented below are the historic gross revenue figures and lab fees for the nineteen Inter-State Studios franchised businesses that were open and operating as of December 31, 2025, and had experienced at least one full fall/winter school picture season (the “Franchised Businesses”). Two of the nineteen Franchised Businesses began operations in 2025. One Inter-State Studios franchised business, which was open and operating for more than 12 months, was excluded from this Item 19 because it ceased operations in 2025.

Please carefully read all of the information in this Item 19, and all of the notes following the charts, in conjunction with your review of the historical data.

Gross Revenue and Lab Fees by Franchised Business in the 2025 Calendar Year

Franchised Business	Number of Accounts	Gross Revenue	Lab Fees	Year Franchise Established**
1	143	\$1,420,898.61	\$396,381.89	2021
2	46	\$500,649.79	\$136,008.27	2021
3	54	\$488,321.80	\$170,979.13	2021
4	178	\$1,276,156.66	\$399,063.35	2021
5	60	\$519,332.93	\$170,910.45	2021
6	174	\$1,341,426.93	\$424,285.58	2022
7	26	\$249,876.85	\$73,057.45	2022
8	25	\$198,049.30	\$80,609.38	2022
9	75	\$508,047.56	\$170,706.34	2023
10	11	\$137,889.29	\$51,542.51	2023
11	90	\$705,114.77	\$293,345.93	2023
12	26	\$200,661.41	\$74,433.95	2023
13	134	\$1,704,153.97	\$489,335.72	2024
14	79	\$939,147.39	\$287,172.44	2024
15	10	\$41,850.50	\$13,115.10	2024
16	43	\$395,499.75	\$111,234.34	2024
17	63	\$559,228.42	\$195,394.11	2024
18*	33	\$220,235.22	\$72,605.80	2025
19*	2	\$2,475.30	\$1,022.50	2025

* Franchised Businesses that were open and operating as of December 31, 2025 for less than twelve months.

** Several Franchised Businesses acquired one or more existing Accounts from our corporate outlets when they commenced operations or were originally corporate outlets that were sold to franchises.

Notes to Chart:

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

“Gross Revenue” means the aggregate amount of all sales of all Services and Products, and other goods and services, whether for cash, on credit or otherwise, made or provided at or in connection with the Franchised Business, including any Products that customers under an Account purchase from us or our affiliate, less the cost of any commissions that the franchisee paid to an Account. The term “Gross Revenue” also does not include: (1) any federal, state, municipal or other sales, value added or retailer’s excise taxes paid or accrued by a franchised business; or (2) adjustments for net returns on salable goods and discounts allowed to customers on sales.

“Account” means a school or other local organization in which the franchisee has the right to be the photographer and publisher for picture day and to provide other services to.

“Lab Fees” means all costs and expenses that the franchisee paid our affiliates in connection with printing pictures during the respective period.

You should conduct an independent investigation of the costs and expenses you will incur in operating your Business.

The financial information we used in preparing the preceding financial performance representations was based entirely upon unaudited information reported to us by each Franchised Business.

Written substantiation of all financial performance information presented in this financial performance representation will be made available to you in our main office upon reasonable request.

Other than the preceding financial performance representations, 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 Chad Schnyder, 3500 Snyder Ave, Sedalia, MO 65301, 207-751-0557, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20
OUTLETS AND FRANCHISEE INFORMATION**

**TABLE NUMBER 1
Systemwide Outlet Summary
For Years 2023-2025**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	10	13	+3
	2024	13	18	+5
	2025	18	19	+1
Company-Owned	2023	29	27	-2
	2024	27	26	-1
	2025	26	24	-2
TOTAL	2023	39	40	+1
	2024	40	44	+4
	2025	44	43	-1

**TABLE NUMBER 2
Transfers of Outlets From Franchisee to New Owners (Other than the Franchisor)
For Years 2023-2025**

State	Year	Number of Transfers
Arizona	2023	1
	2024	0
	2025	0
TOTAL	2023	1
	2024	0
	2025	0

**TABLE NUMBER 3
Status of Franchised Outlets
For Years 2023-2025**

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations / Other Reasons	Outlets at the End of the Year
Alaska	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	1	0	0	0	0	1
Arizona	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
Arkansas	2023	1	0	0	0	0	0	1
	2024	1	0	0	0	0	0	1
	2025	1	0	0	0	0	0	1
California	2023	0	0	0	0	0	0	0