

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.

Part I: 2023-2024 Revenue Figures. Includes Franchised Stores Average Net Revenues and Growth in Average Net Revenues during the Measurement Period

Calendar Year	No. of included stores	Average Net Revenues	% Growth in Average Net Revenues	No. and % of Stores Above/ Below Average	Median	High Net Revenues	Low Net Revenue
2023	16	\$1,080,663	n/a	Above: 9 (56.25%) Below: 7 (43.75%)	\$654,324	\$1,976,741	\$426,553
2024	18	\$1,115,185	+3.2%	Above: 6 (33.33%) Below: 12 (66.67%)	\$969,648	\$2,382,830	\$544,888

For 2023, this summary includes all 16 Franchised Stores which were operating the entire year.
For 2024, this summary includes all 18 Franchised Stores which were operating the entire year.

Part II: 2024 Cost Breakdown. Includes 2024 Average Net Revenues, COGS, Gross Margin, Payroll, Occupancy, Advertising, Other (fees, etc.), Interest, Depreciation and Amort., Net income, and EBITDA.

2024 P&L Category	Average	% of Net Revenue	No. of Stores Above/Below	Median	
				\$	%
Net Revenues	\$1,115,815	+3.20% (increase from 2023)	6/12	\$969,648	
COGS	\$357,135	32.0%	7/11	\$269,806	30.6%
Average Gross Margin	\$758,050	68.0%	6/12	\$672,843	69.4%
Payroll	\$280,428	25.1%	6/12	\$181,506	18.7%
Occupancy	\$149,228	13.4%	8/10	\$152,500	15.7%
Marketing & Advertising	\$ 3,350	0.3%	9/9	\$ 1,745	0.2%
Other Expenses	\$148,780	13.3%	6/12	\$177,294	18.3%
Interest Expense	\$ 5,239	0.5%	6/12	0	0.0%
Depreciation & Amort.	\$ 12,961	1.2%	7/11	\$595,090	61.4%
Taxes	\$ 30,214	2.7%	4/14	\$48,975	5.1%
Total Expense	\$630,201	56.5%	7/11	\$595,090	61.4%
Net Income	\$127,849	11.5%	6/12	\$ 77,753	8.0%
Add backs to Net Income to Calculate EBITDA:					
Interest Expense	\$ 5,239		6/12	0	
Depreciation & Amort.	\$ 12,961		7/11	\$ 33,069	
Taxes	\$ 30,214		4/14	\$ 48,975	
EBITDA	\$176,264	15.8%	6/12	\$159,797	16.5%

Notes to Part I

1. “Net Revenues” includes all revenues generated from all business conducted at or from a store during the Calendar Year, including amounts received from the sale of food items. “Net Revenues” does not include the amount of any applicable sales tax imposed by any federal, state, municipal or other governmental authority if such taxes are stated separately when the customer is charged, and franchisee pays such amounts as and when due to the appropriate taxing authority. Also excluded from Net Revenues are the amount of any documented refunds, chargebacks, credits and allowances given to customers in good faith pursuant to our standard procedures for issuing such refunds. The “Average Net Revenues” is determined by taking the sum of included franchisees Net Revenues and dividing it by the number of stores. For the 2023 Calendar Year, the high Net Revenues reported to us was \$1,972,908 and the low was \$424,199. For the 2024 Calendar Year, the high Net Revenues reported to us was \$2,382,830, and the low was \$544,888. For the 2025 Calendar Year, the high Net Revenues reported to us was \$2,500,100 and the low was \$339,700.

Notes to Part II

2. “COGS” is defined as all direct costs including gelato, other products, and dry goods costs. The average presented above is determined by taking the sum of included franchisees costs of goods sold and dividing it by the number of stores. The percentage was determined by dividing the average COGS by Average Net Revenues.
3. “Average Gross Margin” is defined as Average Net Revenues less Total Average Cost of Goods Sold. The percentage was determined by dividing the Average Gross Profit by Average Net Revenues.
4. “Payroll” is defined as the cost of hourly employees, management labor, and manager salary or bonus payments, but does not include owner salary or draw. The average presented above is determined by taking the sum of Included Franchisees’ Labor Costs and dividing by the number of stores. The percentage was determined by dividing the average Labor Cost by Average Net Revenues.
5. “Occupancy” is defined as all charges imposed under the lease agreements, including base rent, percentage rent, and common area maintenance charges. The average presented above is determined by taking the sum of included franchisees Occupancy costs and dividing by the number of stores. The percentage was determined by dividing the average Occupancy cost by Average Net Revenues.
6. “Advertising” is defined as the cost of local store marketing efforts. The average presented above is determined by taking the sum of included franchisees Advertising costs and dividing by the number of stores. The percentage was determined by dividing the Advertising costs by Average Net Revenues.

7. "Other Expenses" is defined as the sum of other operational costs to operate a store, including but not limited to utility costs, repair and maintenance costs, bank fees, legal and professional services, external services, and other expenses.
8. "Interest Expense" is defined as financing charges for any outside bank loans being paid by the franchisee to their lender of choice. The average presented above is determined by taking the sum of Included Franchisees' Interest Expense and dividing by 236. The percentage was determined by dividing the average Interest Expense by Average Net Revenues.
9. The analysis does not contain complete information regarding costs associated with starting and operating a store. The data presented for each year is for the established traditional stores open and operating a minimum of 12 months as of the end of each such year. We do not make any financial performance representations regarding stores operating as a non-traditional location.
10. The figures included do not include certain costs associated with the establishment and operation of a store, including initial franchise fees, build-out and equipment costs, technology and other store costs able to be capitalized. The above figure also excludes training and living expenses. There may be other costs and other expenses not identified in this Item 19. You should conduct an independent investigation of the costs and expenses you will incur in operating your store. Franchisees listed in the disclosure document may be one source of that information.

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

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

Other than the preceding financial performance representation, we do not make any representations about a franchisee's future financial performance or the past financial performance of 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 our chief executive officer Erwan De Guichen at 251 Little Falls Drive, Wilmington, Delaware 19808, or by telephone at (011) (33) (1) 53-14-57-00, or by email at usa@amorino.com, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
Unit Systemwide Outlet Summary
For Years 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised*	2023	16	18	+2
	2024	18	22	+4
	2025	22	29	+7
Company Owned	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Total	2023	16	18	+2
	2024	18	22	+4
	2025	22	29	+7

* The “franchised” figures in this Table include Stores franchised by us or our affiliate Minus Zero4.

Item 20 Table No. 2
Transfers of Outlets from Franchisees to New Owners
(other than the Franchisor or its affiliates)
For Years 2023 to 2025

	Year	Number of Transfers
Totals	2023	0
	2024	0
	2025	1

Item 20 Table No. 3
Status of Franchised Outlets*
For Years 2023 to 2025

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