

Provision	Section in Development Agreement	Summary
		not successful, then by litigation, subject to state law.
v. Choice of forum	19.3	Subject to Section 19.2 of the Development Agreement, all claims must be brought before a court of general jurisdiction nearest to Mandeville, Louisiana, or the United States District Court for the Eastern District of Louisiana. You consent to the personal jurisdiction and venue of these courts (subject to state law).
w. Choice of law	19.1	The Development Agreement is governed by the laws of the Louisiana (subject to state law).

ITEM 18

PUBLIC FIGURES

Painting with a Twist does not use any public figures to promote its 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 any reasonable basis for the information and, if the information is included in the disclosure document. Financial information that differs from that included in Item 19 may only be given 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.

The financial performance representations included in this Item 19 contain historical gross sales information of franchised businesses (“franchised outlets”) operating in the United States. The gross sales information is based gross sales reported by franchisees for our last fiscal year ending December 31, 2023.

As of December 31, 2023, we had 219 franchised outlets.

Table 1 includes Gross Sales (defined below) for 191 franchised outlets in the United States that were open for at least 12 full months as of December 31, 2023 and substantially followed the System for franchised outlet operations, which include meeting our minimum marketing and

operations requirements for studio performance during the reporting period. The Gross Sales of 5 franchised outlets were excluded because the outlets opened in 2023 were not open during all 12 months in 2023. In addition, the Gross Sales of 23 franchised outlets were not included because some of these franchise outlets were temporarily closed in 2023, or the franchised outlets did not meet minimum operations and marketing requirements during the reporting period, including hosting a minimum number of public events and conducting local studio marketing as required. The information presented in Table 1 is based on sales information reported to us by our franchisees through the point-of-sale system (“POS”) and have not been audited by us.

“Gross Sales” means the total revenue derived from the sale of products or services less sales tax, discounts, allowances, and returns.

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Table 1
Gross Sales of Franchised Outlets for the Year 2023

Rankings	Top 25%	Top 50%	Top 75%	All Studios
Highest Gross Sales	\$621,758	\$621,758	\$621,758	\$621,758
Lowest Gross Sales	\$297,102	\$239,139	\$185,007	\$101,462
Average Gross Sales	\$384,764	\$320,456	\$285,420	\$251,747
Median Gross Sales	\$366,786	\$285,140	\$247,436	\$228,244
# Exceeding Average	20 of 48	38 of 96	50 of 143	73 of 191
% Exceeding Average	42%	40%	35%	38%
Average Public Event Sales	\$261,644	\$215,619	\$193,544	\$170,310
Average Private Party Sales	\$99,862	\$84,370	\$74,016	\$65,476
% Change in Gross Sales from Previous Year	13.43%	10.65%	10.12%	8.74%
Average Months Open	115	112	109	109

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

Written substantiation for the financial performance representations will be made available to you on reasonable request.

Other than the preceding financial performance representation, we do not make any financial performance representations. 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 Todd Owen, CEO, at P.O. Box 1710, Mandeville, Louisiana 70470 or by telephone at (985) 626-3292, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1
System-wide Outlet Summary
For years 2021 to 2023 (1) (2)

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	248	231	-17
	2022	231	219	-12
	2023	219	219	0
Company-Owned	2021	3	1	-2
	2022	1	1	0
	2023	1	1	0
Total Outlets	2021	251	232	-19
	2022	232	220	-12
	2023	220	220	0

Table No. 2
Transfers of Outlets from Franchisees to New Owners (Other Than Franchisor)
For years 2021 to 2023 (1)

State	Year	Number of Transfers
ALABAMA	2021	0
	2022	1
	2023	0
ARKANSAS	2021	0
	2022	0
	2023	1
COLORADO	2021	1
	2022	2
	2023	1