

PROVISION	SECTION IN AGREEMENT	SUMMARY
t. Integration/ merger clause	Franchise Agreement § 23(c)	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law.) Any representations or promises outside of the disclosure document and franchise agreement may not be enforceable. Nothing in any Franchise Agreement is intended to disclaim the express representations made in this Franchise Disclosure Document.
u. Dispute resolution by arbitration or mediation	Franchise Agreement § 21(a)	Except for certain claims, all disputes not first settled informally must be arbitrated in Charlotte, North Carolina, under rules of the American Arbitration Association, subject to applicable state laws.
v. Choice of forum	Franchise Agreement §§ 21(a), 21(b), and 21(c)	AAA, Charlotte, North Carolina; North Carolina courts (if any), which provision is subject to state law.
w. Choice of law	Franchise Agreement § 21(g)	North Carolina law, except federal Lanham Act and federal Arbitration Act, which choice of law is subject to state law.

## **ITEM 18. PUBLIC FIGURES**

We use no public figures to promote the 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 this Item 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, for example, by providing information about possible performance at a particular location or under particular circumstances.

### **Franchised Locations Results - 2023**

The following financial performance representations disclose the annual average, median, high, and low Gross Sales for the period beginning January 1, 2023 and ending December 31, 2023 ("Measurement Period") of 99 Reporting Workshops (defined below). 114 franchised locations were open as of December 31, 2023. 5 of those units are not included in the financial performance representation because the units opened in 2023 and did not have a full year of operations. 4 units were not included because we did not receive their gross sales data for a portion of the Measurement Period. 6 units were not included due to temporary closure resulting from hurricane, relocation or other. The 99 franchised units disclosed in this financial performance representation (i) had opened their Workshop prior to the beginning of the Reporting Period and (ii) were not excluded for any of the above reasons ("Reporting Workshops").

**Table 1**

The following table illustrates the Gross Sales for all 99 Reporting Workshops during the Measurement Period.

<b>Average Gross Sales</b>	<b>Low Gross Sales</b>	<b>Median Gross Sales</b>	<b>High Gross Sales</b>
\$127,875.56	\$31,882.42	\$119,841.55	\$400,126.42
<b>Number / % of Workshops Surpassing Average Gross Sales</b>	<b>Number / % of Workshops Surpassing Low Gross Sales</b>	<b>Number / % of Workshops Surpassing Median Gross Sales</b>	<b>Number / % of Workshops Achieving High Gross Sales</b>
45 / 45%	98 / 99%	49 / 49%	1 / 1%

**Table 2**

The following table illustrates the number and percentage of the 99 Reporting Workshops who had revenue within the ranges stated below.

<b>Range of Gross Sales of the Reporting Workshops</b>	<b>Number of Reporting Workshops in the Range</b>	<b>Percentage of Reporting Workshops in the Range</b>
Less than \$100,000	34	34%
Between \$100,000 and \$199,999	57	58%
Greater than or equal to \$200,000	8	8%

### **Notes**

- For purposes of the charts above, "Gross Sales" means the total amount of revenue derived from the sale of goods or services that was derived from the operation of the Workshop, including, but not limited to, revenue from the sale of classes and merchandise. "Gross Sales" is before deductions. No part of the Gross Sales reflects payment of Royalty payments, Brand Fund Contributions, local advertising expenditures, or similar payments you must make under your Franchise Agreement. As for group buying services sales, Gross Sales shall include the total gross amount paid by the customer, whether or not such amount is ultimately paid to you or the group buying service.
- We have not audited these results, which have been reported to us by our franchisees but we have no reasonable basis to question their reliability. There are no material differences in the gross sales of franchise outlets.
- The Workshops included in this financial performance representation are substantially similar to the Workshops for which we are offering franchises in this disclosure document, and their services are substantially similar to those to be offered and sold by franchised Workshops.

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

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

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 Chief Executive Officer, in writing at 315 Main Street, Suite AA, Pineville, North Carolina 28134, (919) 824-8609, the Federal Trade Commission, and the appropriate state regulatory agencies.

**ITEM 20. OUTLETS AND FRANCHISEE INFORMATION**

**Table 1  
Systemwide Outlet Summary  
For years 2021, 2022, and 2023**

OUTLET TYPE	YEAR	OUTLETS AT THE START OF THE YEAR	OUTLETS AT THE END OF THE YEAR	NET CHANGE
<b>Franchised<sup>1</sup></b>	2021	138	144	+6
	2022	144	123	-21
	2023	123	114	-9
<b>Company Owned</b>	2021	2	1	-1
	2022	1	1	0
	2023	1	1	0
<b>Total Outlets</b>	<b>2021</b>	<b>140</b>	<b>145</b>	<b>+5</b>
	<b>2022</b>	<b>145</b>	<b>124</b>	<b>-21</b>
	<b>2023</b>	<b>124</b>	<b>115</b>	<b>-9</b>

**Table 2  
Transfers from Franchisees to New Owners (Other than the Franchisor)  
For years 2021, 2022, and 2023**

STATE	YEAR	NUMBER OF TRANSFERS
<b>Alaska</b>	2021	0
	2022	0
	2023	1
<b>Arizona</b>	2021	1
	2022	0
	2023	0
<b>California</b>	2021	2
	2022	0

<sup>1</sup> Prior to May, 2017, our affiliate ANDERS RUFF, LLC offered license agreements instead of franchise agreements. Thereafter, our affiliate converted its licensing program to franchising. For purposes of the tables in Item 20, the former licensees were counted as franchisees. As of December 31, 2020, our affiliate no longer has any licensees.