

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.

As of December 31, 2024, we had (i) 94 franchisees open and operating in 265 Territories, and (ii) 1 company-owned business operating in 6 Territories. This Financial Performance Representation includes information in connection with (i) 36 franchisees operating in 88 Territories, and (ii) 1 company-owned business operating in 6 Territories.

We conducted a survey of the 38 franchise businesses operating in a total of 90 Territories that have been open and operating in their first Territory for 10 or more months as of December 31, 2024. Of this group, 36 franchisees operating in 88 Territories responded to our survey and submitted data.

This Financial Performance Representation excludes data in connection with 58 franchisees operating in 177 Territories, since those franchisees opened their first Territory during the 2024 calendar year and were not otherwise open in their first Territory for an entire calendar year. However, if a franchisee opened in its first Territory prior to January 1, 2024, and subsequently expanded into additional Territories during the 2024 calendar year, those franchisees (and Territories) are included in this Financial Performance Representation.

Part I of this Financial Performance Representation discloses the Average Gross Revenue generated by the 36 franchisees operating in a total of 88 Territories during the 2024 calendar year.

Part II of this Financial Performance Representation discloses the Average Gross Profit Margin attained by the 36 franchisees operating in a total of 88 Territories during the 2024 calendar year.

Part III of this Financial Performance Representation discloses the Average Job Size generated by the 36 franchisees operating in a total of 88 Territories during the 2024 calendar year.

Part IV of this Financial Performance Representation discloses the Average Close Rate attained by the 36 franchisees operating in a total of 88 Territories during the 2024 calendar year.

Part V of this Financial Performance Representation discloses the total Gross Revenue for the company-owned business operating in 6 Territories during the 2024 calendar year.

PART I: AVERAGE GROSS REVENUE GENERATED BY THE FRANCHISEES DURING THE 2024 CALENDAR SPLIT INTO THIRDS

AVERAGE GROSS REVENUE						
	Number of Franchisees (Total Territories)	Average	High	Median	Low	# of Franchisees That Met or Exceeded Average
Top Third	12 (44 Territories)	\$1,089,346.76	\$1,561,431.58	\$1,092,665.15	\$850,500.00	6 (50%)
Middle Third	12 (22 Territories)	\$588,693.21	\$850,000.00	\$555,678.00	\$488,731.00	3 (25%)
Bottom Third	12 (22 Territories)	\$320,120.20	\$487,855.00	\$325,880.00	\$175,000.00	6 (50%)

PART II: AVERAGE GROSS PROFIT MARGIN ATTAINED BY THE FRANCHISEES DURING THE 2024 CALENDAR SPLIT INTO THIRDS

AVERAGE GROSS PROFIT MARGIN						
	Number of Franchisees (Total Territories)	Average	High	Median	Low	# of Franchisees That Met or Exceeded Average
Top Third	12 (28 Territories)	53.86%	59.00%	54.31%	50.10%	7 (58%)
Middle Third	12 (28 Territories)	47.54%	50%	48.00%	45.00%	7 (58%)
Bottom Third	12 (32 Territories)	40.23%	44%	42.00%	27.00%	9 (75%)

PART III: AVERAGE JOB SIZE GENERATED BY THE FRANCHISEES DURING THE 2024 CALENDAR SPLIT INTO THIRDS

AVERAGE JOB SIZE						
	Number of Franchisees (Total Territories)	Average	High	Median	Low	# of Franchisees That Met or Exceeded Average
Top Third	12 (33 Territories)	\$5,416.41	\$7,300.00	\$5,500.00	\$4,701.00	7 (58%)
Middle Third	12 (23 Territories)	\$4,422.39	\$4,650.00	\$4,500.00	\$4,200.00	7 (58%)
Bottom Third	12 (32 Territories)	\$3,542.24	\$4,079.00	\$3,700.00	\$2,985.00	6 (50%)

PART IV: AVERAGE CLOSE RATE ATTAINED BY THE FRANCHISEES DURING THE 2024 CALENDAR SPLIT INTO THIRDS

AVERAGE CLOSE RATE						
	Number of Franchisees (Total Territories)	Average	High	Median	Low	# of Franchisees That Met or Exceeded Average
Top Third	12 (28 Territories)	42.20%	55.85%	42.44%	37.00%	6 (50%)
Middle Third	12 (29 Territories)	32.93%	36.21%	33.00%	30.00%	8 (67%)
Bottom Third	12 (31 Territories)	24.73%	30.00%	25.00%	19.00%	7 (58%)

PART V: TOTAL GROSS REVENUE FOR THE COMPANY-OWNED BUSINESS DURING THE 2024 CALENDAR YEAR

Company-Owned Business (6 Territories)	
Gross Revenue	\$4,075,729.02*

*Of this total Gross Revenue, \$535,458.49 or 13.14% was generated outside of the Territories

Notes to Item 19:

1. Gross Revenue. "Gross Revenue" includes all sales of every kind and nature at or from the That 1 Painter business, regardless of whether the business has collected the amount of the sales. Gross Revenue does not include (a) receipts from any sales tax or similar taxes collected from customers and turned over to the governmental authority imposing the tax, (b) properly documented refunds to customers, or (c) properly documented promotional discounts (i.e., coupons).
2. Gross Profit Margin. "Gross Profit" means Gross Revenue minus Cost of Goods Sold. "Gross Profit Margin" is calculated by taking Gross Profit and dividing it by Gross Revenue. "Cost of Goods Sold" includes the labor and material costs that it took in order to complete the jobs."
3. Average Job Size. "Average Job Size" is calculated by taking the total Gross Revenue generated by the applicable group and dividing it by the number of jobs completed by the group.
4. Close Rate. "Close Rate" is calculated by taking the number of quotes sent and dividing that amount by the number of quotes won.
5. Average. "Average," also known as the "mean," means the sum of all data points in a set, divided by the number of data points in that set.

6. Median. "Median" means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing them by two.
7. The company-owned business is owned and operated by our affiliate.
8. Except as set forth herein, there are no material financial or operational characteristics of the outlets that are reasonably anticipated to differ materially from future franchise outlet operations.
9. Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request.
10. **Some outlets have earned these amounts. Your individual results may differ. There is no assurance that you'll earn as much.**

Other than the preceding financial performance representation, That 1 Painter Franchising LLC does 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 Steven Montgomery, That 1 Painter Franchising LLC, 12357-C Riata Trace Parkway, Suite 150-200, Austin, Texas 78727, (512)270 - 0161, 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 2022 to 2024

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2022	0	28	+28
	2023	28	62	+34
	2024	62	265	+203
Company – Owned#	2022	4	4	0
	2023	4	12	+8
	2024	12	6	-6
Total Outlets	2022	4	32	+28
	2023	32	74	+42
	2024	74	271	+197

* The numbers in this and each Item 20 table represent the number of Territories that our franchisees operate in. Each Territory is governed by its own Franchise Agreement.