

## 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 Franchise 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 performance at a particular location or under particular circumstances. This financial performance representation is a historic representation based on the past performance of our existing outlets in 2025.

As of December 31, 2025, 36 franchised Lemon Tree® Salons were open and reporting their gross sales to us (each, a “Franchised Salon”). Of those 36 Franchised Salons, 34 were open and reporting for at least one (1) full year as of December 31, 2025. Two (2) of these 34 franchised salons were transfers from corporate-owned units to franchised units during 2025.

The chart below reflects the gross revenue data for these 34 franchised salons for the period January 1, 2025 through December 31, 2025, including the full-year results for the transferred salons. We excluded two (2) franchised salons that were new to the system and had not operated for a full year. This information was not audited or independently verified.

### GROSS SALES DATA FOR THE 2025 CALENDAR YEAR

#### Gross Revenue From January 1, 2025 to December 31, 2025

	Mean	Median	High	Low
<b>Quartile 1</b> 9 Franchised Outlets	\$ 631,326	\$ 599,600	\$ 753,056	\$ 516,173
<b>Quartile 2</b> 8 Franchised Outlets	\$ 362,796	\$ 353,241	\$ 467,009	\$ 299,669
<b>Quartile 3</b> 8 Franchised Outlets	\$ 266,220	\$ 269,803	\$ 294,984	\$ 224,758
<b>Quartile 4</b> 9 Franchised Outlets	\$ 161,331	\$ 171,022	\$ 215,511	\$ 61,767

### Average Annual % Growth

From January 1, 2025 to December 31, 2025

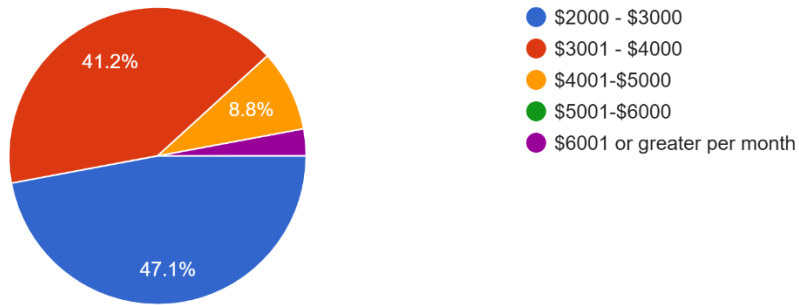
	YOY Average	Median
Franchised Outlets	3.4%	-0.2%

The following pie charts include expenses incurred by the 34 franchisees who's financial performance is represented in this Item 19. Each franchisee in the System asked to complete a survey containing the questions on the top line of each of the following charts. The franchisee's self-reported answers are included below.

### FRANCHISEE EXPENSES FOR THE 2025 CALENDAR YEAR

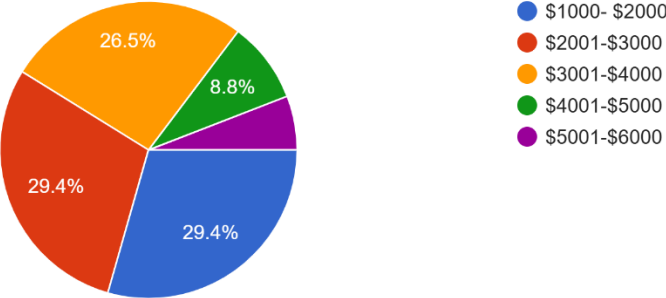
Salon rent: Below are ranges of monthly rent. What range was your average monthly rent in 2025?  
(This would include base rent and CAM charges only) Select one.

34 responses



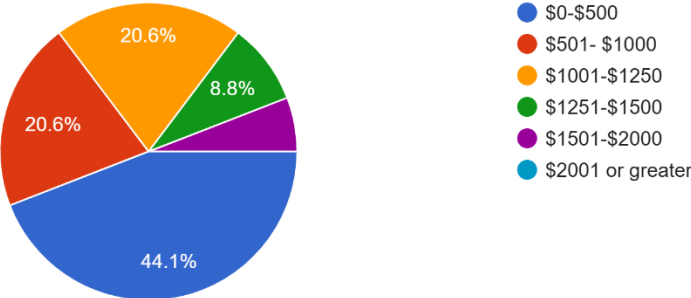
Salon payroll: Below are ranges of weekly gross payroll. What was your average weekly gross payroll in 2025? Select one.

34 responses



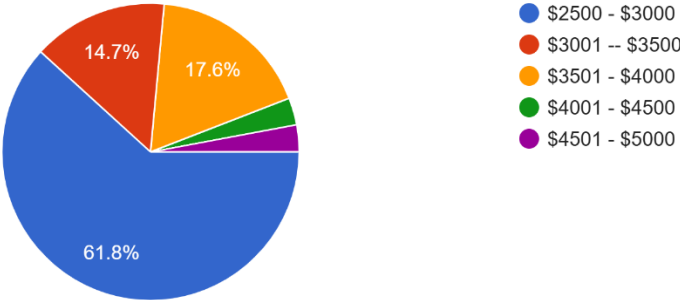
Salon supplies: Below are ranges of weekly supply cost. What was your average weekly supply cost in 2025? Select one.

34 responses



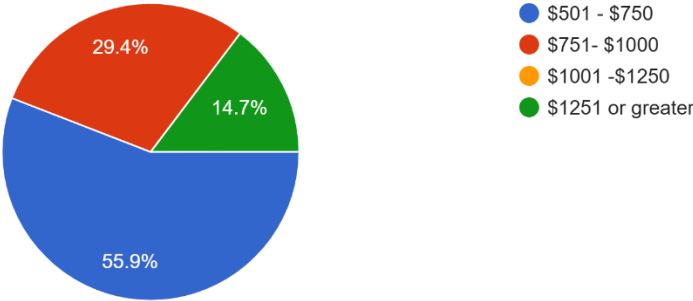
Salon Insurance: Below are ranges for yearly insurance. What was your yearly cost in 2025? (Please do not include any health insurance cost.) Select one.

34 responses



Salon Utilities: Below are ranges for monthly utility bills. What were your average monthly utility bills in 2025? (Electric, Gas, Water, Internet) Select one.

34 responses



**Definitions and General Notes**

1. The term Gross Revenue, as used in the above tables, means total sales, less sales taxes and discounts.
2. Gross Revenue reports printed from the computer system used by our franchisees were the source of the data presented in this Financial Performance Representation. We have not independently audited or verified this information.
3. Each of the franchisees studied has been in business for at least one year. Additionally, several of the franchisees studied have a two (2) mile Approved Territory.
4. These results are unaudited.
5. These results represent sales of products and services which will be available for franchisees to sell.

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request. The information presented above has not been audited.

**Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll earn 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 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, 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 Jonathan Shaw at 8 Campus Drive, Suite 105, PMB 1029, Parsippany, New Jersey 07054, or 973-884-2330, 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 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	32	34	+2
	2024	34	34	0
	2025	34	36	+2
Company – Owned*	2023	9	12	+3
	2024	12	12	0
	2025	12	12	0
<b>Total Outlets</b>	<b>2023</b>	<b>41</b>	<b>46</b>	<b>+5</b>
	<b>2024</b>	<b>46</b>	<b>46</b>	<b>0</b>
	<b>2025</b>	<b>46</b>	<b>48</b>	<b>+2</b>

\* Company-owned stores are operated by our affiliates.

Table No. 2  
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)  
For Years 2023 to 2025

State	Year	Number of Transfers
New York	2023	1
	2024	0