

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.

A. GROSS REVENUES FOR ALL AFFILIATE-OWNED AND FRANCHISEE-OWNED STUDIOS OPEN AND OPERATING AS OF DECEMBER 31, 2024

Table 1 provides Gross Revenues for the last fiscal year (July 1, 2024 to June 30, 2025), or the relevant portion thereof as disclosed in the table, for all affiliate-owned (2 locations) and franchisee-owned (1 location) THE LOOK SALON SUITES Studios that were open and operating as of December 31, 2024. For purposes of this financial performance representation, “Gross Revenues” means total revenue derived from the operation of the relevant Studio, including, but not limited to, revenue from services rendered by the Studio and products sold by the Studio, whether from sales for cash or credit and regardless of the collection thereof. Gross Revenues does not include sales taxes. We have a reasonable basis for disclosing the Gross Revenues of the three THE LOOK SALON SUITES Studios listed in the table below because each is substantially similar to THE LOOK SALON SUITES Studio for which we are offering franchises in this disclosure document.

TABLE 1
Gross Revenues for All Affiliate-Owned and Franchisee-Owned
Studios Open and Operating as of December 31, 2024¹

	<u>Location 1</u>	<u>Location 2¹</u>	<u>Location 3</u>
Type of Ownership	Affiliate-Owned	Affiliate-Owned	Franchisee-Owned
Relevant Operating Period¹	July 1, 2024 – June 30, 2025	Jan. 1, 2025 – June 30, 2025	July 1, 2024 – June 30, 2025
Studio Square Footage	3,650 sq. ft.	5,744 sq. ft.	4,350 sq. ft.
Number of Suites	18 suites	31 suites	26 suites
Occupancy Rate as of June 30, 2025	96%	85%	92%
Gross Revenues for the Period¹	\$321,831	\$206,660	\$381,089

Notes to Table 1:

1. Location 2 opened in December 2024; thus, the Gross Revenues shown for Location 2 are not for the full fiscal year but only for January 1, 2025 to June 30, 2025.

B. GROSS REVENUES AND NET INCOME FOR ALL AFFILIATE-OWNED STUDIOS OPEN AND OPERATING AS OF DECEMBER 31, 2024

Table 2 provides Gross Revenues and Net Income for the last fiscal year (July 1, 2024 to June 30, 2025), or the relevant portion thereof as disclosed in the table, for all affiliate-owned THE LOOK SALON SUITES Studios that were open and operating as of December 31, 2024. For purposes of this financial performance representation, “Gross Revenues” means total revenue derived from the operation of the relevant Studio, including, but not limited to, revenue from services rendered by the Studio and products sold by the Studio, whether from sales for cash or credit and regardless of the collection thereof. Gross Revenues does not include sales taxes. “Net Income” means Gross Revenues less the expenses (including imputed franchise costs) disclosed in Table 2. We have a reasonable basis for disclosing the Gross Revenues of the two affiliate-owned THE LOOK SALON SUITES Studios listed in the table below because each is substantially similar to THE LOOK SALON SUITES Studio for which we are offering franchises in this disclosure document.

TABLE 2
Gross Revenues and Net Income for All Affiliate-Owned Studios
Open and Operating as of December 31, 2024¹

Relevant Operating Period¹	<u>Location 1</u> July 1, 2024 – June 30, 2025	<u>Location 2¹</u> Jan. 1, 2025 – June 30, 2025
Gross Revenues¹	\$321,831	\$206,660
Less Disclosed Expenses		
<i>Rent</i>	\$126,517	\$83,419
<i>Utilities</i>	\$15,163	\$5,709
<i>Marketing</i>	\$12,131	\$8,778
<i>Insurance</i>	\$2,844	\$1,500
<i>Supplies & Materials</i>	\$969	\$1,788
<i>Other Expenses</i>	\$16,758	\$13,676
Less Imputed Franchise Costs^{1, 2}		
<i>Royalty Fees (5.5% Per Month)</i>	\$17,701	\$11,366
<i>Brand Development Fund (2% Per Month)</i>	\$6,437	\$4,133
<i>Technology Fee (\$300 Per Month)</i>	\$3,600	\$1,800
<i>Email Service Fee (\$120 Per Year)</i>	\$120	\$60
Net Income	\$119,591	\$74,431
Net Income as a Percentage of Gross Revenues	37.16%	36.02%

Notes to Table 2:

1. Location 2 opened in December 2024; thus, the Gross Revenues shown for Location 2 are not for the full fiscal year but only for January 1, 2025 to June 30, 2025. Similarly, imputed

franchise costs for Location 2 are for the relevant six-month period instead of the full fiscal year.

2. You must consider your Studio's required Royalty Fees, Brand Development Fund contributions, Technology Fee, and Email Service Fee as part of its expected operating expenses. Under the Franchise Agreement, you are required to pay us a monthly Royalty of 5.5% of Gross Revenues of the Studio, a monthly Brand Development Fund contribution of up to 2% of Gross Revenues of the Studio, a monthly Technology Fee of \$300 per month, and an annual Email Services Fee of \$120 per year. The affiliate-owned Studios disclosed in this table did not make these expenditures. Additionally, you must spend the greater of \$1,000 or 5% of the Studio's monthly Gross Revenues on local marketing for the Studio each month. The monthly local marketing expenditures of each affiliate-owned Studio disclosed in this table exceeded this minimum monthly local marketing expenditure requirement.

Some outlets have sold or earned this amount. Your individual results may differ. There is no assurance you will sell or earn as much. Written substantiation for the financial performance representation will be made available to you upon request.

Other than the preceding financial performance representations, 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 our CEO, in writing at 11010 Lake Grove Blvd, Suite 100-316, Morrisville, NC 27560, 919-630-7572, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20. OUTLETS AND FRANCHISEE INFORMATION

Table 1
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	0	0	0
	2024	0	1	+1
	2025	1	3	+2
Company Owned	2023	0	1	+1
	2024	1	1	0
	2025	1	2	+1
Total Outlets	2023	0	1	+1
	2024	1	2	+1
	2025	2	5	+3

*** Our fiscal year is July 1 to June 30. The years referenced in each table reflect the periods from July 2022 to June 2023; July 2023 to June 2024; and July 2024 to June 2025.

Table 2
Transfers from Franchisees to New Owners (Other than the Franchisor)
For Years 2023, 2024, and 2025

STATE	YEAR	NUMBER OF TRANSFERS
North Carolina	2023	0
	2024	0
	2025	0
Totals	2023	0
	2024	0
	2025	0

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