

Provision	Section in Development Agreement	Summary
		Notwithstanding the foregoing, nothing in this or any related agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
(u) Dispute resolution by arbitration or mediation	Sections 12 and 13	<p>You must first submit all dispute and controversies arising under the Development Agreement to our President and make every effort to resolve the dispute internally.</p> <p>At our option, all claims or disputes arising out of the Development Agreement must be submitted to non-binding mediation, which will take place in Palm Harbor, Florida. You must notify us of any potential disputes and we will provide you with notice as to whether we wish to mediate the matter or not (subject to state law).</p>
(v) Choice of forum	Section 15	Except for our right to seek injunctive relief in any court of competent jurisdiction, all claims and causes of action arising out of the Development Agreement must be initiated and litigated to conclusion (unless settled) in the state court of general jurisdiction that is closest to Palm Harbor, Florida or, if appropriate, the USDC for the Middle District of Florida (subject to state law).
(w) Choice of law	Section 11	The Development Agreement is governed by the laws of the state of Florida, without reference to this state's conflict of laws principles (subject to state law).

The provisions summarized in this Item are subject to any applicable state specific addenda (See Exhibit “H” of this Disclosure Document and Exhibit “E” to the Franchise Agreement).

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote our 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 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 certain circumstances.

HISTORICAL FINANCIAL PERFORMANCE REPRESENTATION

This Item sets forth certain historical data submitted by our franchisees. We have not audited this information nor independently verified it. Written substantiation for the financial performance representations will be made available to a prospective franchisee upon reasonable request.

“Gross Sales” are defined as total retail sales per unit less returns or discounts. “Gross Margin” is defined as Gross Sales less Cost of Goods. “Cost of Goods” is defined as the cost of items acquired for resale including inbound shipping costs.

SECTION I – ALL COMPARABLE UNITS

The information below sets forth historical data collected from our franchisees and the single company-owned unit. The single criterion for inclusion was that the store be in operation for the full calendar year under continuous ownership during the year reported. This resulted in 13 of a total 97 units excluded from 2025 data, 11 of a total 93 units excluded from 2024 data, and 11 of a total 89 units excluded from 2023 data.

Chart I-A – Comparable Gross Sales for Full Calendar Years

	2025	2024	2023
Average Gross Sales – All Franchised Units	\$552,660	\$519,403	\$509,227
Change vs Prior Year	+6.4%	+2.0%	N/A
Gross Sales – Company-Owned Unit	\$2,860,317	\$2,630,879	\$2,501,593
Company Unit – Change vs Prior Year	+8.7%	+5.2%	N/A

*The company-owned unit referenced above operates in a non-traditional location and differs in format, customer traffic patterns, and operating characteristics from traditional franchised storefront locations. Accordingly, its sales results may not be representative of, or comparable to, franchised units operating in traditional retail settings.

Chart I-A – Notes

2025: Maximum \$1,263,519; Minimum \$210,877; Median \$505,212. Of the 84 units included, 32 fell above average and 52 fell below average.

2024: Maximum \$1,210,985; Minimum \$65,247; Median \$486,926. Of the 82 units included, 33 fell above average and 49 fell below average.

2023: Maximum \$1,336,526; Minimum \$73,788; Median \$467,554. Of the 78 units included, 34 fell above average and 44 fell below average.

Chart I-B – Comparable Gross Margins for Full Calendar Years

	2025	2024	2023
Average Gross Margin (\$)	\$378,347	\$361,915	\$354,914
Average Gross Margin (% of Gross Sales)	68.5%	69.7%	69.7%
Change vs Prior Year	+4.5%	+2.0%	N/A

Chart I-B – Notes

2025: Maximum \$921,100; Minimum \$141,120; Median \$342,282. Of the 84 units included, 34 fell above average and 50 fell below average.

2024: Maximum \$881,876; Minimum \$47,166; Median \$331,120. Of the 82 units included, 35 fell above average and 47 fell below average.

2023: Maximum \$986,915; Minimum \$47,908; Median \$314,501. Of the 78 units included, 35 fell above average and 43 fell below average.

SECTION II – MULTI-UNIT OWNER STORES

SECTION II-A – TWO (2) STORE OWNERS

The information below sets forth historical data collected from franchisees that owned two (2) units during each year reported and whose stores were in continuous operation for the full calendar year reported. Of the total system population of 99 units in 2025, 96 units in 2024, and 92 units in 2023, only those units owned by two-store franchisees and meeting the inclusion criteria were included. This resulted in 39 units included in 2025, 35 units included in 2024, and 38 units included in 2023, with the remaining units excluded because they did not meet the ownership and/or continuous operation criteria.

Chart II-A – Comparable Gross Sales

	2025	2024	2023
Average Gross Sales	\$672,362	\$630,092	\$625,666
Change vs Prior Year	+6.7%	+0.7%	N/A

Notes:

2025: Max \$1,263,519; Min \$210,877; Median \$626,789. (39 units)

2024: Max \$1,210,985; Min \$65,247; Median \$563,538. (35 units)

2023: Max \$1,336,526; Min \$73,788; Median \$621,404. (38 units)

Chart II-B – Comparable Gross Margins

	2025	2024	2023
Average Gross Margin (\$)	\$464,067	\$443,657	\$441,519
Margin as %	69.0%	70.4%	70.6%
Change vs Prior Year	+4.6%	+0.5%	N/A

SECTION II-C – THREE (3) OR MORE STORE OWNERS

The information below sets forth historical data collected from franchisees that owned three (3) or more units during each year reported and whose stores were in continuous operation for the full calendar year reported. Of the total system population of 97 units in 2025, 93 units in 2024, and 89 units in 2023, only those units owned by franchisees with three or more units and meeting the inclusion criteria were included. This resulted in 12 units included in 2025, 17 units included in 2024, and 17 units included in 2023, with the remaining units excluded because they did not meet the ownership and/or continuous operation criteria.

Chart II-C – Comparable Gross Sales

	2025	2024	2023
Average Gross Sales	\$781,515	\$663,702	\$700,120
Change vs Prior Year	+17.8%	-5.2%	N/A

Notes:

2025: Max \$1,263,519; Min \$478,654; Median \$768,392. (12 units)

2024: Max \$1,210,985; Min \$65,247; Median \$706,052. (17 units)

2023: Max \$1,336,526; Min \$73,788; Median \$714,459. (17 units)

Chart II-D – Comparable Gross Margins

	2025	2024	2023
Average Gross Margin (\$)	\$544,600	\$463,328	\$494,228
Margin as %	69.7%	69.8%	70.6%
Change vs Prior Year	+17.5%	-6.3%	N/A

GENERAL NOTES TO ITEM 19

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

1. The information provided pertaining to Reporting Stores is based on data provided to us by the franchise owners of these Stores.
2. Other than the preceding financial performance representation, The Spice & Tea Exchange Franchising, LLC does 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 the Franchise Administration Department, Attn: Amy Freeman, 904-429-7548, support@spiceandtea.com, 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, 2024 and 2025**

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	86	89	+3
	2024	89	93	+4
	2025	93	97	+4
Company-Owned	2023	1	1	0
	2024	1	1	0
	2025	1	1	0
Total Outlets	2023	87	90	+3
	2024	90	94	+4
	2025	94	98	+4

**Table No. 2
Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For Years 2023, 2024 and 2025**

State	Year	Number of Transfers
Alabama	2023	0
	2024	0
	2025	1