

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) 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.

DEFINITIONS

- (a) Average – means the sum of all data points in a set, divided by the number of data points in that set.
- (b) Calendar Year – means, as to each respective year, the 12-month period commencing on January 1 and ending on December 31.
- (c) Company Owned Outlet – means an Outlet owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document. A Company Owned Outlet also includes any Outlet that is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document, or that is managed by us our affiliate or any person identified in Item 2.
- (d) Franchise Outlet – refers to a Salons by JC Business operated under a Franchise Agreement that is not a Company Owned Outlet.
- (e) Gross Sales – means the total revenue derived by each Salons by JC Business less sales tax, discounts, allowances, and returns.
- (f) Leased Suites – refers to the number of individual salon suites at the Business Location that, as of the last day of the reported Calendar Year or such other date as may be specified within this Item 19, are leased or subleased to a third party. The number of Leased Suites does not account for variability of leased or subleased suites occurring during a Calendar Year or any measurable period.
- (g) 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 by two.
- (h) New Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2024, as to the 2024 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet and not as an Operational Company Owned Outlet, see definition below. If this Company Owned Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2025 calendar Year.
- (i) New Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Franchise Outlet

first opened for business in February 2024, as to the 2024 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet, see definition below. If this Franchise Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2025 Calendar Year.

- (j) Occupancy Rate – means the number of Leased Suites as a percentage of the Total Suites that the Business Location has available for rent. The Occupancy Rate is calculated by dividing the total number of Leased Suites that are leased or subleased to a third party at a Business Location on the last day of the Calendar Year by the number of Total Suites available for rent at the Business Location as of the last day of the Calendar Year, multiplied by 100.
- (k) Operational Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that was open and in operation on or prior to the commencement of the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2024, as to the 2024 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet, see definition above, and not as an Operational Company Owned Outlet. If this Company Owned Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2025 Calendar Year.
- (l) Operational Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation prior to the commencement of the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2024, as to the 2024 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet, see definition above, and not as an Operational Franchise Outlet. If this Franchise Outlet remained in operation throughout the 2025 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2025 Calendar Year.
- (m) Outlet – refers to a Salons by JC Business that is either a Company Owned Outlet or a Franchise Outlet, as the context requires.
- (n) Total Square Footage – means, for each Outlet, the sum of the Leasable Square Footage and all other square footage making up the Business Location. Total Square Footage is calculated at the time of opening the Outlet.
- (o) Total Suites – refers to the total number of individual salon suites, measured on the last day of the respective Calendar Year. The number of Total Suites does not account for variability of total suites available throughout a Calendar Year.

BASES AND ASSUMPTIONS

The financial information was not prepared on a basis consistent with generally accepted accounting principles. Data for our Operational Company Owned Outlets is based on information reported to us by our affiliate and data for the Operational Franchise Outlets is based on information reported to us by our franchisees. The information in this analysis has not been audited, is based on historical financial data, and is not a forecast or projection of future financial performance.

ANALYSIS OF RESULTS OF OPERATIONAL COMPANY OWNED OUTLETS

During the 2025 Calendar Year we had 14 Company Owned Outlets. Of our 14 Company Owned Outlets, 12 Outlets were Operational Company Owned Outlets and 2 Outlets were New Company Owned Outlets. We exclude data for New Company Owned Outlets that were not open for the full 2025 Calendar Year.

Material financial and operational characteristics that are reasonably anticipated to differ from future operational franchise outlets include: (a) managerial skill and efficiency experienced by our Company Owned Outlets as a result of our extensively experienced management team; (b) previously negotiated and favorable lease terms; (c) brand recognition within the local markets in which our Company Owned Outlets operate; and (d) no obligation to pay ongoing fees that a franchisee will pay to us, such as Royalty Fees and Brand Development Fund Fees. The table below provides a summary of our Operational Company Owned Outlets.

Operational Company Owned Outlets Summary	
Outlet	Outlet Description
001TX	Our 001TX Outlet opened for business in September 1998 and is located at 7602 W Campbell Drive, Dallas, Texas 78248. This Outlet operates in a Business Location that had a Total Square Footage of approximately 8,400 square feet at the time of opening and contained 49 Total Suites as of the end of the 2025 Calendar Year. This Outlet constitutes an Operational Company Owned Outlet for the 2025 Calendar Year, however, the Total Square Footage of this Outlet exceeds our recommended square footage of approximately 5,000 to 7,000 square feet in this Disclosure Document.
002TX	Our 002TX Outlet opened for business in February 2000 and is located at 3701 S Cooper Street, Suite 153, Arlington, Texas 76015. This Outlet operates in a Business Location that had a Total Square Footage of approximately 7,700 square feet at the time of opening and contained 37 Total Suites as of the end of the 2025 Calendar Year. This Outlet constitutes an Operational Company Owned Outlet for the 2025 Calendar Year, however, the Total Square Footage of this Outlet exceeds our recommended square footage of approximately 5,000 to 7,000 square feet in this Disclosure Document.
004TX	Our 004TX Outlet opened for business in May 2004 and is located at 11703 Huebner Road, San Antonio, Texas 78230. This Outlet operates in a Business Location that had a Total Square Footage of approximately 8,000 square feet at the time of opening and contained 42 Total Suites as of the end of the 2025 Calendar Year. This Outlet constitutes an Operational Company Owned Outlet for the 2025 Calendar Year, however, the Total Square Footage of this Outlet exceeds our recommended square footage of approximately 5,000 to 7,000 square feet in this Disclosure Document.
005TX	Our 005TX Outlet opened for business in June 2007 and is located at 2106 E Sonterra Boulevard, Suite 111, San Antonio, Texas 78259. This Outlet operates in a Business Location that had a Total Square Footage of approximately 13,717 square feet at the time of opening and contained 73 Total Suites as of the end of the 2025 Calendar Year. This Outlet constitutes an Operational Company Owned Outlet for the 2025 Calendar Year, however, the Total Square Footage of this Outlet exceeds our recommended square footage of approximately 5,000 to 7,000 square feet in this Disclosure Document.
006TX	Our 006TX Outlet opened for business in July 2010 and is located at 14615 IH-35 North, Suite 130, San Antonio, Texas 78233. This Outlet operates in a Business Location that had a Total Square Footage of approximately 6,005 square feet at the time of opening and contained 31 Total Suites as of the end of the 2025 Calendar Year. This Outlet is representative of the Franchised Business and constitutes an Operational Company Owned Outlet for the 2025 Calendar Year.
103TX	Our 103TX Outlet opened for business in July 2011 and is located at 10919 Culebra Road, Suite 112, San Antonio, Texas 78253. This Outlet operates in a Business Location that had a Total Square Footage of approximately 8,000 square feet at the time of opening and contained 40 Total Suites as of the end of the 2025 Calendar Year. This Outlet constitutes an Operational Company Owned Outlet for the 2025 Calendar Year, however, the Total Square Footage of this Outlet exceeds our recommended square footage of approximately 5,000 to 7,000 square feet in this Disclosure Document.
009TX	Our 009TX Outlet opened for business in December 2012 and is located at 2814 West Loop 340, Building H-1, Waco, Texas 76711. This Outlet operates in a Business Location that had a Total Square Footage of approximately 6,000 square feet at the time of opening and contained 32 Total Suites as of the end of the 2025 Calendar Year. This Outlet is representative of the Franchised Business and constitutes an Operational Company Owned Outlet for the 2025 Calendar Year.

025TX	Our 025TX Outlet opened for business in March 2014 and is located at 22211 W Interstate 10 Frontage Road, Suite 1201, San Antonio, Texas 78257. This Outlet operates in a Business Location that had a Total Square Footage of approximately 8,000 square feet at the time of opening and contained 44 Total Suites as of the end of the 2025 Calendar Year. This Outlet constitutes an Operational Company Owned Outlet for the 2025 Calendar Year, however, the Total Square Footage of this Outlet exceeds our recommended square footage of approximately 5,000 to 7,000 square feet in this Disclosure Document.
054TX	Our 054TX Outlet opened for business in December 2014 and is located at 349 Creekside Way, New Braunfels, Texas 78130. This Outlet operates in a Business Location that had a Total Square Footage of approximately 8,000 square feet at the time of opening and contained 44 Total Suites as of the end of the 2025 Calendar Year. This Outlet constitutes an Operational Company Owned Outlet for the 2025 Calendar Year, however, the Total Square Footage of this Outlet exceeds our recommended square footage of approximately 5,000 to 7,000 square feet in this Disclosure Document.
027TX	Our 027TX Outlet opened for business in October 2014 as a Franchise Outlet but was acquired by our affiliate and became a Company Owned Outlet in September 2021, and is located at 1328 W McDermott Drive, Suite 222, Allen, Texas 75013. This Outlet operates in a Business Location that had a Total Square Footage of approximately 5,620 square feet at the time of opening and contained 30 Total Suites as of the end of the 2025 Calendar Year. This Outlet is representative of the Franchised Business and constitutes an Operational Company Owned Outlet for the 2025 Calendar Year.
143TX	Our 143TX Outlet opened for business in February 2002, relocated to a new Business Location in May 2022, and is currently located at 255 E Basse Road, Suite 150, San Antonio, Texas 78209. In this <u>Item 19</u> , we refer to the opening date of this Outlet as the date of the relocation in May 2022. This Outlet operates in a Business Location that had a Total Square Footage of approximately 14,178 square feet at the time of opening and contained 74 Total Suites as of the end of the 2025 Calendar Year. This Outlet constitutes an Operational Company Owned Outlet for the 2025 Calendar Year, however, the Total Square Footage of this Outlet exceeds our recommended square footage of approximately 5,000 to 7,000 square feet in this Disclosure Document.
193CO	Our 193CO Outlet opened for business in January 2024 and is located at 9640 E. Arapahoe Rd, Greenwood Village, CO 80112. This Outlet operates in a Business Location that had a Total Square Footage of approximately 7,779 square feet at the time of opening and contained 40 Total Suites as of the end of the 2025 Calendar Year. This Outlet constitutes an Operational Company Owned Outlet for the 2025 Calendar Year, however, the Total Square Footage of this Outlet exceeds our recommended square footage of approximately 5,000 to 7,000 square feet in this Disclosure Document.

Table 1

Operational Company Owned Outlets			
Average Occupancy Rate and Average Gross Sales for the 2025 Calendar Year¹			
Salon SQFT	Number of Outlets	Average Occupancy Rate²	Average Gross Sales³
4,500 to 6,500	3	83.82%	\$317,321.01
6,500 to 7,500	0	N/A	N/A
7,500 to 8,500	7	90.69%	\$519,059.56
>8,500	2	87.06%	\$1,155,023.06

Notes to Table:

¹ The data represented in this table is for all 2025 Calendar Year Operational Company Owned Outlets and include nine Operational Company Owned Outlets that exceed our recommended square footage of approximately 5,000 to 7,000 square feet disclosed in this Disclosure Document. During the 2025 Calendar Year we had a total of 12 Operational Company Owned Outlets.

² The Median Occupancy Rate for all Operational Company Owned Outlets in this table 1 is 87.78%. The high Occupancy Rate for all Operational Company Owned Outlets in this table 1 is 100.00%. The low Occupancy Rate for all Operational Company Owned Outlets in this table 1 is 73.33%.

³ The Median Gross Sales for all Operational Company Owned Outlets in this table 1 is \$508,252.75. The high Gross Sales for all Operational Company Owned Outlets in this table 1 is \$1,329,138.12. The low Gross Sales for all Operational Company Owned Outlets in this table 1 is \$259,329.00.

ANALYSIS OF RESULTS OF OPERATIONAL FRANCHISE OUTLETS

During the 2025 Calendar Year we had a total of 154 Franchise Outlets. Of the 154 Franchise Outlets, 147 Outlets were Operational Franchise Outlets and seven Outlets were New Franchise Outlets. For the 2025 Calendar Year, we exclude data for (i) New Franchise Outlets; (ii) four Operational Franchise Outlets that we did not collect accurate and reliable financial data for; and (iii) one Operational Franchise Outlet that closed for part of the 2025 Calendar Year and therefore was not representative of the Franchised Business. In the tables below, we report data related to our Operational Franchise Outlets.

Table 2

Operational Franchise Outlets Average Occupancy Rate and Average Gross Sales for the 2025 Calendar Year¹			
Salon SQFT	Number of Outlets	Average Occupancy Rate²	Average Gross Sales³
4,500 to 6,500	30	89.59%	\$459,379.97
6,500 to 7,500	39	85.81%	\$509,568.59
7,500 to 8,500	36	84.18%	\$562,664.29
>8,500	37	78.42%	\$714,041.30
<p><u>Notes to Table:</u></p> <p>¹ The data represented in this table is for all 2025 Calendar Year Operational Franchise Outlets that are representative of the Franchised Business and include 112 Operational Franchise Outlets that exceed our recommended square footage of approximately 5,000 to 7,000 square feet in this Disclosure Document. During the 2025 Calendar Year we had a total of 142 representative Operational Franchise Outlets.</p> <p>² The Median Occupancy Rate for all Operational Franchise Outlets in this table 2 is 89.16%. The high Occupancy Rate for all Operational Franchise Outlets in this table 2 is 100.00%. The low Occupancy Rate for all Operational Franchise Outlets in this table 2 is 15.56%.</p> <p>³ The Median Gross Sales for all Operational Franchise Outlets in this table 2 is \$552,912.95. The high Gross Sales for all Operational Franchise Outlets in this table 2 is \$2,097,651.08. The low Gross Sales for all Operational Franchise Outlets in this table 2 is \$21,464.87.</p>			

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Table 3

Operational Franchise Outlets Opened During the Previous Five Years Average, Median, High, and Low Leased Suites After First Year of Operation ¹							
Salon SQFT	Number of Outlets	Total Suites	Average Leased Suites at 12 Months	Average Occupancy Rate at 12 Months ²	Median Leased Suites at 12 Months	High Leased Suites at 12 Months	Low Leased Suites at 12 Months
4,500 to 6,500	4	31	28	90.89%	27	31	27
6,500 to 7,500	12	36	28	80.01%	30	38	16
7,500 to 8,500	13	41	29	70.97%	29	39	12
>8,500	20	49	34	68.36%	38	55	10

Notes to Table:

¹ The data represented in this table 3 is for Operational Franchise Outlets that opened for business during the previous five years, on or after January 1, 2021, that are representative of the Franchised Business and include 40 Operational Franchise Outlets that exceed our recommended square footage of approximately 5,000 to 7,000 square feet in this Disclosure Document. During the 2025 Calendar Year there were a total of 49 representative Operational Franchise Outlets that opened for business during the previous years, on or after January 1, 2021, and include Operational Franchise Outlets that exceed our recommended square footage of approximately 5,000 to 7,000 square feet included in this table 3. We exclude data in this table for Franchise Outlets that opened prior to January 1, 2021, because the data is less representative of current market conditions. This is not a historical representation of multi-year data, but rather a summary of data as to the Operational Franchise Outlet’s historical information related to the first year of operations.

² The Median Occupancy Rate for all Operational Franchise Outlets in this table 3 is 79.55%. The high Occupancy Rate for all Operational Franchise Outlets in this table 3 is 100.00%. The low Occupancy Rate for all Operational Franchise Outlets in this table 3 is 28.57%.

Some Outlets have earned this amount. Your individual results may differ. There is no assurance that you’ll earn as much.

Written substantiation of the data used in preparing these sales figures will be made available to you upon reasonable request.

Other than the preceding financial performance representations, J ‘N C Real Estate Development, 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 Drew Johnston, J ‘N C Real Estate Development, LLC at 1723 North Loop 1604 E, Suite 202, San Antonio, Texas 78232 and (210) 314-3126, the Federal Trade Commission, and the appropriate state regulatory agencies.

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ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

TABLE NO. 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	124	138	+14
	2024	138	152	+14
	2025	152	154	+2
Company Owned	2023	11	11	0
	2024	11	12	+1
	2025	12	14	+2
Total Outlets	2023	135	149	+14
	2024	149	164	+15
	2025	164	168	+4

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