

ITEM 18

PUBLIC FIGURES

We do not use any public figure to promote the 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 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 performance at a particular location or under particular circumstances.

Following are 2 sets of data analyzing Palm Beach Beauty & Tan Locations under the Palm Beach Beauty & Tan Brand and Legacy Locations under the Legacy Brand (collectively, the "Sample Locations").

- I. Analysis of the actual operating results for Sample Locations owned by our Parent; and
- II. Analysis of the actual operating gross revenues of our franchised Sample Locations.

As noted in Item 1, Sample Locations are similar to Palm Beach Tan • Wellness Locations offered in this disclosure document.

We have written substantiation in our possession to support the information appearing in this Item 19. Written and substantiation will be made available to the prospective franchisee upon reasonable request.

I. ANALYSIS OF THE ACTUAL OPERATING RESULTS FOR SAMPLE LOCATIONS OWNED BY OUR PARENT.

BASES AND ASSUMPTIONS

Part I of this analysis contains information regarding average and median sales, average operating costs, average Gross Sales per tanning session, average retail sales per tanning session, and average number of tanning sessions per month for the 310 Sample Locations -- comprised of 23 company-owned locations operating under the Palm Beach Beauty & Tan Brand and 287 company-owned locations operating under the Legacy Brand -- owned by our Parent which were in operation during the entire 12-month period ending December 31, 2025, with an overall average of 13.1 years of operation ("Company-Owned Sample Locations"). The information in this financial performance representation does not include the 10 Company-Owned Sample Locations that permanently stopped operating during the reporting period. Table 1 presents the arithmetic mean average of and median Square Footage, EFT Revenues, Other Revenues, Total Revenues, Operating Expenses, EBITDA and EBITDA as a Percentage of Revenues for the Company-Owned Sample Locations, and Table 2 presents the arithmetic mean average of and median average Gross Sales per tanning session, average retail sales per tanning session, and average number of tanning sessions per month for the Company-Owned Sample Locations.

Company-Owned Sample Locations incorporate many of the elements of a "tanning location"; from the choice of the location, to the square footage, to the location design, to the equipment mix. The Company-Owned Sample Locations are located in high profile shopping centers in highly visible and accessible space. They average approximately 2,667 square feet, are characterized by a bright, clean, impressive design, and feature the highest quality equipment.

All Company-Owned Sample Locations are similar in operation to the franchised locations offered by us under this disclosure document; however, there are differences. In addition, there are certain fees which you must pay to us under the Franchise Agreement and other differences between the expenses of a franchised Location and a Company-Owned Sample Location, reflected in the tables. Those fees and expenses include initial franchise fees, ongoing royalties and any interest expense you would incur if you finance any of the initial investment for the Location or its operation. In addition, while the Company-Owned Sample Locations included in this analysis average 2,667 square feet, we have recently moved to a smaller prototype.

TABLE 1

**Average and Median Operating Data for the
310 Company-Owned Sample Locations as of December 31, 2025**

**Average Unit Information
12 Months Ended December 31, 2025⁽¹⁾**

	AVERAGE	MEDIAN	HIGHEST	LOWEST
SQUARE FOOTAGE	2,667	2,652	6,700	1,140
EFT REVENUES	\$346,488	\$329,039	\$803,867	\$86,668
OTHER REVENUE	\$177,672	\$164,721	\$496,765	\$39,739
TOTAL REVENUES⁽²⁾	\$524,160	\$503,288	\$1,300,632	\$126,408
OPERATING COSTS⁽³⁾	(\$392,452)	(\$384,967)	(\$709,262)	(\$196,853)
EBITDA⁽⁴⁾	\$131,708	\$113,624	\$591,370	(\$140,255)
EBITDA AS A % OF REVENUES⁽⁵⁾	25.13%	24.0%	53.9%	-72.2%

Annual Costs Sample Brand Franchisees Will Incur Not Included in Costs Above (assuming median annual Gross Sales)⁽⁶⁾	
Royalties (4% 1 st year; 5% 2 nd year; 6% thereafter)	Year 1: \$20,132 Year 2: \$25,164 Subsequent Years: \$30,197
Customer Experience Management Program	\$480
Sunlync and Software Support Fee	\$3,600

Footnotes to Table 1

1. Comparison of results: Of the 310 Company-Owned Sample Locations included in Table 1:

COMPARISON	# ABOVE AVERAGE	# BELOW AVERAGE
Square Footage	121 (50%)	122 (50%)
EFT Revenues	106 (44%)	137 (56%)
Other Revenue	105 (43%)	138 (57%)
Total Revenues	108 (44%)	135 (56%)
Operating Costs	110 (45%)	133 (55%)
EBITDA	108 (44%)	135 (56%)
EBITDA as a % of Revenue	116 (48%)	127 (52%)

2. Average revenues are a mean average calculated by aggregating the total revenues of all Company-Owned Sample Locations and dividing by 310. Revenues include EFT monthly proceeds, other tanning services and lotions and other product sales.

- EFT monthly proceeds: Approximately 66% of the total sales revenues for the Company-Owned Sample Locations are represented by monthly electronic funds transfers ("EFT membership") from members' bank or credit card accounts. EFT memberships enable a Location to experience better collections than it would without EFT memberships. Franchisees are required to offer EFT memberships. It may take approximately 3 to 4 years for a Location to achieve the percentage of revenues noted above from EFT memberships. Locations without a comparable percentage of EFT memberships may experience different collection rates.
- Other tanning services: These services include all tanning sales and services (including sunless tan sales) other than from EFT proceeds.

Revenues vary from location to location based on factors such as demand for tanning related products, services and accessories in the immediate market, the type and number of competitive businesses in the immediate market, service levels, visibility and accessibility, marketing efforts and effectiveness, prevailing rates in the market, facility reputation and convenience to users of tanning related products, services and accessories. Revenues are also affected by seasonality and geographic location. We believe that tanning related products, services and accessories are in greater demand in certain parts of the United States than others. The seasonality of sales in other geographic locations will also be affected differently depending upon the weather, among other things, in such locations.

3. Operating expenses include:

- The direct costs of Company-Owned Sample Location operations (including, the cost of product sales; salaries, commissions and related benefits; supplies; replacement lamps and acrylics; other repairs and maintenance costs; and other location operating costs).
- Rent and other facilities costs (such as electricity and other utilities). Rental costs may vary with local rental markets. Utility costs may vary with local utility companies as well as with climate.
- Company-Owned Sample Location administration costs (including, advertising and promotion; insurance; credit card/processing fees; computers, telephones and data lines). Advertising and promotions for Company-Owned Sample Locations have been conducted in markets where the Company-Owned Locations have been established for at least 4 years. Appropriate levels of advertising and promotions in new markets could lead to costs significantly in excess of the average advertising and promotion expenses noted on Table 1. You are required to contribute 2% of your Gross Sales to an advertising fund and to

spend 3.5% of your Gross Sales on local advertising. Your total franchisor advertising assessment will not exceed 5.5% of Gross Sales, but you may choose to spend more for advertising.

4. EBITDA is calculated as Sample Location level earnings before deductions for interest, taxes, depreciation and amortization.
5. EBITDA as a percentage of revenues are a mean average calculated by aggregating the total EBITDA of all Sample Locations and dividing by 310.
6. These are costs that a Sample Brand franchisee incurred as a direct result of operating a franchised Sample Location. These costs are not all of the costs you will incur in operating your Palm Beach Tan • Wellness Location.

TABLE 2

**Average and Median Gross Sales Per Tanning Session,
Average and Median Retail Sales Per Tanning Session,
and Number Of Tanning Sessions Per Month
for the
310 Company-Owned Sample Locations
For The Period
January 1, 2025 To December 31, 2025⁽¹⁾**

	AVERAGE	MEDIAN	HIGHEST	LOWEST
GROSS SALES PER TANNING SESSION⁽²⁾	\$7.12	\$6.87	\$14.50	\$3.90
RETAIL SALES PER TANNING SESSION⁽³⁾	\$3.44	\$3.29	\$9.72	\$1.78
NUMBER OF TANNING SESSIONS PER MONTH	2,097	2,032	4,186	717

Footnotes to Table 2

1. Comparison of results: Of the 310 Company-Owned Sample Locations included in Table 2:

COMPARISON	# ABOVE AVERAGE	# BELOW AVERAGE
Gross Sales Per Tanning Session	112 (46%)	131 (54%)
Retail Sales Per Tanning Session	107 (44%)	136 (56%)
Number of Tanning Sessions per Month	107 (44%)	136 (56%)

2. Gross Sales represents all in- Sample Location revenue from the sale of tanning services, lotions, and other products.
3. Retail sales represents all in- Sample Location revenue from the sale of lotions and retail products.

II. ANALYSIS OF THE ACTUAL OPERATING GROSS REVENUES OF OUR FRANCHISED SAMPLE LOCATIONS.

A. BASES AND ASSUMPTIONS

Part II.A. of this analysis contains information regarding average sales, average Gross Sales per tanning session, average retail sales per tanning session, and average number of tanning sessions per month for the 324 franchised Sample Locations -- comprised of 10 company-owned locations operating under the Palm Beach Beauty & Tan Brand and 314 company-owned locations operating under the Legacy Brand -- which were in operation during the entire 12-month period ended December 31, 2025, with an overall average of 9.88 years of operation ("Franchised Sample Locations"). The information in this financial performance representation does not include the 8 Franchised Sample Locations that stopped operating during the reporting period. Table 1 presents the arithmetic mean average of and the median EFT Revenues, Other Revenues, and Total Revenues and Table 2 presents the arithmetic mean average of and the median average Gross Sales per tanning session, average retail sales per tanning session, and average number of tanning sessions per month for the Franchised Sample Locations.

TABLE 1

**Average and Median Operating Data for the
314 Franchised Sample Locations as of December 31, 2025**

**Average and Median Unit Information
12 Months Ended December 31, 2025⁽¹⁾**

	AVERAGE	MEDIAN	HIGHEST	LOWEST
EFT REVENUES	\$375,135	\$349,216	\$950,469	\$116,051
OTHER REVENUE	\$174,280	\$161,969	\$523,570	\$47,939
TOTAL REVENUES⁽²⁾	\$549,415	\$504,916	\$1,474,039	\$179,150

Footnotes to Table 1

1. Comparison of results: Of the 314 Franchised Sample Locations included in Table 1:

COMPARISON	# ABOVE AVERAGE	# BELOW AVERAGE
EFT Revenues	166 (43%)	222 (57%)
Other Revenue	157 (40%)	231 (60%)
Total Revenues	171 (44%)	217 (56%)

2. Average revenues are a mean average calculated by aggregating the total revenues of all Franchised Sample Locations and dividing by 314. Revenues include EFT monthly proceeds, other tanning services and lotions and other product sales.

- EFT monthly proceeds: Approximately 68% of the total sales revenues for the Franchised Sample Locations are represented by monthly EFT membership transfers from members' bank or credit card accounts. EFT memberships enable a Location to experience better collections than it would without EFT memberships. Franchisees are required to offer EFT memberships. It may take approximately 3 to 4 years for a Location to achieve the percentage of revenues noted above from EFT memberships. Locations without a comparable percentage of EFT memberships may experience different collection rates.
- Other tanning services: These services include all tanning sales and services (including sunless tan sales) other than from EFT proceeds.

TABLE 2

**Average and Median Gross Sales Per Tanning Session,
Average and Median Retail Sales Per Tanning Session,
and Number Of Tanning Sessions Per Month
for the
314 Franchised Sample Locations
For The Period
January 1, 2025 To December 31, 2025⁽¹⁾**

	AVERAGE	MEDIAN	HIGHEST	LOWEST
GROSS SALES PER TANNING SESSION⁽²⁾	\$6.24	\$6.25	\$10.00	\$3.10
RETAIL SALES PER TANNING SESSION⁽³⁾	\$3.41	\$3.33	\$6.67	\$1.38
NUMBER OF TANNING SESSIONS PER MONTH	2,328	2,160	6,229	799

Footnotes to Table 2

1. Comparison of results: Of the 314 Franchised Sample Locations included in Table 2:

COMPARISON	# ABOVE AVERAGE	# BELOW AVERAGE
Gross Sales Per Tanning Session	198 (51%)	190 (49%)
Retail Sales Per Tanning Session	170 (44%)	218 (56%)
Number of Tanning Sessions per Month	166 (43%)	222 (57%)

2. Gross Sales represents all in-Sample Location revenue from the sale of tanning services, lotions, and other products.
3. Retail sales represents all in-Sample Location revenue from the sale of lotions and retail products.

The Franchised Sample Locations on which Part II of this analysis is based are substantially similar to the Company-Owned Sample Locations in Part I of this analysis.

We compiled these figures from the individual Sample Locations' actual reported Gross Revenues for the periods listed below. This information has not been audited or otherwise verified by us.

Gross Revenues include all of the revenue components of Franchised Sample Locations, like EFT monthly proceeds, other tanning services, lotions and other product sales. (See Part II.A. of this analysis for a further explanation of EFT monthly proceeds and other tanning services.)

Revenues vary from location to location based on factors such as demand for tanning related products, services and accessories in the immediate market, the type and number of competitive businesses in the immediate market, service levels, visibility and accessibility, marketing efforts and effectiveness, prevailing rates in the market, facility reputation and convenience to users of tanning related products, services and accessories. Revenues are also affected by seasonality and geographic location. We believe

that tanning related products, services and accessories are in greater demand in certain parts of the United States than others. The seasonality of sales in other geographic locations will also be affected differently depending upon the weather, among other things, in such locations.

Some outlets have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

Other than the preceding financial performance representation, Palm Beach Tan Franchising, Inc. 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 Roy Sneed at 6321 Campus Circle Drive E., Irving, Texas 75063, (972) 966-5300, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20

OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

**Systemwide Outlet Summary
For years 2023 to 2025^{(1),(2)}**

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the year	Column 4 Outlets at the Start of the year	Column 5 Net Change
Franchised	2023	348	398	+50
	2024	398	397	-1
	2025	397	324	-73
Company-Owned	2023	252	257	+5
	2024	257	253	-4
	2025	253	310	+57
Total Outlets	2023	600	655	+55
	2024	655	650	-5
	2025	650	634	-16

- Notes:** 1. All numbers are as of our fiscal year end. Our 2025 fiscal year end is December 31.
2. All numbers relate to Legacy Locations that operated under the "Palm Beach Tan" mark and Palm Beach Beauty & Tan Locations that operated under the "Palm Beach Beauty & Tan" mark. As of the date of this disclosure document there are 23 company-owned Palm Beach Beauty & Tan Locations and 10 franchised Legacy Location that converted to a Palm Beach Beauty & Tan Location (in North Carolina).

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)