

**ITEM 18: PUBLIC FIGURES**

We do not currently use any public figures 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 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 2023.

As of December 31, 2023, 34 franchised Lemon Tree® Salons were open and reporting their gross sales to us (each, a "Franchised Salon"). Of those 34 Franchised Salons, 31 were open and reporting for at least one (1) full years as of December 31, 2023, under the same ownership. We have excluded salons operating for less than one year by the same franchisee because franchisees spend the first year of operation developing a customer base, so including less than the first year's financial performance is not a true indication of how well that outlet could perform. We have also excluded salons that may have been in operation for longer than one year but underwent a transfer of ownership because, in a transfer situation, there is generally a transition period, which includes staff turnover and additional training by the owner and stylists. In the hair care industry, customers may follow their stylist, so the customer base may need to be reestablished as well. This information was not audited or independently verified.

**GROSS SALES DATA FOR THE 2023 CALENDAR YEAR****Gross Revenue  
From January 1, 2023 to December 31, 2023**

	<b>Mean</b>	<b>Median</b>	<b>High</b>	<b>Low</b>
<b>Quartile 1</b> 8 Franchised Outlets	\$ 571,156	\$ 561,369	\$ 693,504	\$ 447,555
<b>Quartile 2</b> 8 Franchised Outlets	\$ 352,476	\$ 348,158	\$ 416,990	\$ 315,921
<b>Quartile 3</b> 8 Franchised Outlets	\$ 262,310	\$ 257,870	\$ 302,690	\$ 233,216
<b>Quartile 4</b> 7 Franchised Outlets	\$ 171,866	\$ 186,742	\$ 222,511	\$ 62,562

**Average Annual % Growth**  
**From January 1, 2023 to December 31, 2023**

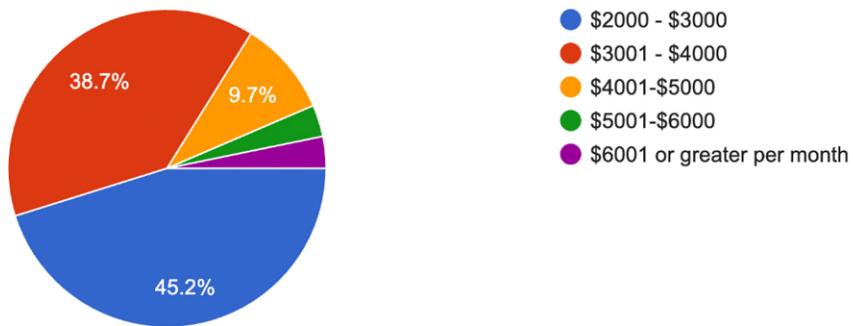
	YOY Average	Median
<b>Franchised Outlets</b>	8.3%	6.2%

The following pie charts includes expenses incurred by the 31 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 2023 CALENDAR YEAR**

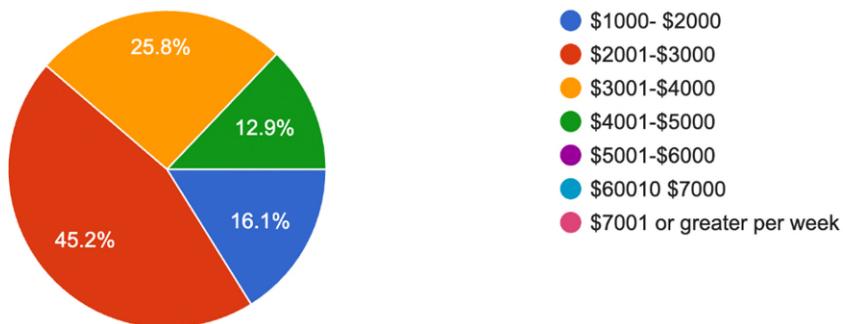
Salon rent: Below are ranges of monthly rent. What range was your average monthly rent in 2023? (This would include base rent and CAM charges only) Select one.

31 responses



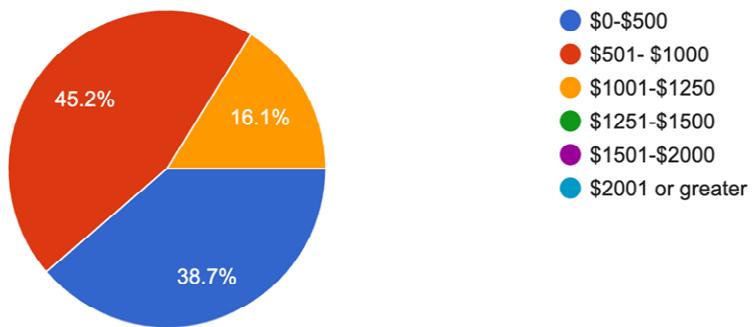
Salon payroll: Below are ranges of weekly gross payroll. What was your average weekly gross payroll in 2023? Select one.

31 responses



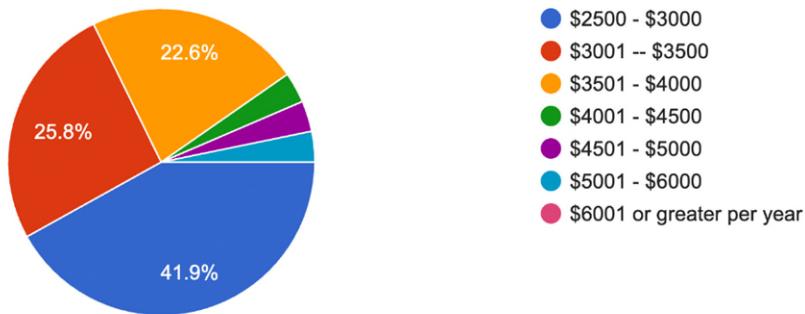
Salon supplies: Below are ranges of weekly supply cost. What was your average weekly supply cost in 2023? Select one.

31 responses



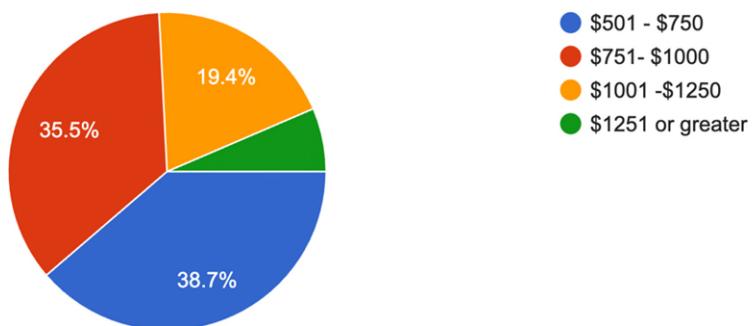
Salon Insurance: Below are ranges for yearly insurance. What was your yearly cost in 2023? (Please do not include any health insurance cost.) Select one.

31 responses



Salon Utilities: Below are ranges for monthly utility bills. What were your average monthly utility bills in 2023? (Electric, Gas, Water, Internet) Select one.

31 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 2021 to 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2021	33	33	0
	2022	33	32	-1
	2023	32	34	2
Company – Owned*	2021	8	9	1
	2022	9	9	0
	2023	9	12	3
Total Outlets	2021	41	42	1
	2022	42	41	-1
	2023	41	46	5