

	Provision	Section in ADA Agreement	Summary
			law). Any promises outside the Development Agreement, the Franchise Agreements, and this FDD may not be enforceable. However, nothing in the Franchise Agreement will have the effect of disclaiming any of the representations made in this FDD.
U	Dispute resolution by arbitration or mediation	Section 8	The dispute resolution provisions of the Franchise Agreement apply to any disputes under the Development Agreement (subject to applicable state law)
V	Choice of forum	Section 8	The choice of forum provisions of the Franchise Agreement apply to the Development Agreement (subject to applicable state law)
W	Choice of law	Section 8	The choice of law provisions of the Franchise Agreement apply to the Development Agreement (subject to state law)

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 particular circumstances.

The financial performance representation in this Item 19 is historic based upon our existing Company-Owned Outlets. It includes the historical financial and operational results from our 3 existing Company-Owned Outlets during the period beginning January 1, 2024 and ending December 31, 2024 (the “Measurement Period”). We do not have any franchise outlets in operation as of the issuance date of this Disclosure Document. We have a reasonable basis for the financial performance information disclosed in this Item 19 and written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

Parts I - III of this Item 19 details the Gross Revenue generated by the Company-Owned Outlets during the Measurement Period along with (a) the costs and expenses associated with operating each Company-Owned Outlet (collectively, the “Operating Costs”); and (b) the estimated fees that would have been incurred by each Company-Owned Outlet in connection with the Royalty Fees, Marketing Fees (excluding those the Company-Owned Outlet also pays), if it were a franchise outlet governed by our current form of franchise

agreement (collectively, the “Estimated Fees”) over the Measurement Period. Any differences between the operations of a Company-Owned Outlet and the operations of our franchised outlets are described in the footnotes to each table. The Company-Owned Outlet’s fiscal year follows the calendar year ending December 31.

Except for the Estimated Franchise Operating Expenses that are (a) estimated and calculated based on the Gross Revenue figures reported by the Company-Owned Outlet, and (b) required to be disclosed herein under applicable pre-sale disclosure laws, the data and information provided in Parts I - III of this Item 19 are based on the historical and actual performance of the Company-Owned Outlets over the Measurement Period(s) detailed above.

The explanatory notes included with the following charts are an integral part of this financial performance representation and should be read in their entirety for a full understanding of the information contained in the following charts.

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

Part I - Company-Owned Outlet #1 (15 Suites | ~3,000 sqft.)¹

January 1, 2024 to December 31, 2024	
GROSS REVENUE²	\$293,768
Key Operating Expenses	
Advertising	\$412
Cleaning Supplies	\$609
Insurance	\$735
Janitorial	\$7,280
Legal/ licenses	\$284
Manager ³	\$0
Rent/NNN/CAMS Expense	\$146,654
Repairs & Maintenance	\$7,920
Utilities	\$11,429
Bank Fees	\$238
Total Key Operating Expenses	\$175,561
Estimated Franchise Operating Expenses⁴	
Royalty Fees (5.5%)	\$16,157
Brand Fund Contribution (1%)	\$2,938
Technology Fee	\$1,800
Total Franchise Expenses	\$20,895
EBITDA (if franchised)⁵	\$97,312
EBITDA (if franchised) Margin⁶	33%

Suite Profiles⁸
Total Suites: 15
Suite Size Range: 111 - 185 sq ft.
Suite Rent Range: \$350 - \$490 per week

Notes to Part I:

1. **Company Owned Outlet #1** – Company-Owned Outlet #1 operates in Huntington Beach, California and has been open since March 2017. It is comprised of 15 individual suites of varying sizes. We estimate that your Beauty Bungalows Franchise location will typically be between 5,500 to 8,000 square feet and will contain 25-40 individual suites of varying sizes.
2. **Gross Revenue** – “Gross Revenue” means all amounts collected from suite rental income generated at Company-Owned Outlet #1 during each Measurement Period. Gross Revenue does not include any revenue collected in the form of taxes collected and then paid to applicable government agencies.
3. **Manager Compensation** – Company-Owned Outlet #1 was owner-operated and did not employ a dedicated Manager.
4. **Estimated Franchise Operating Expenses** – Company-Owned Outlet #1 did not pay us Royalty Fees, Brand Fund Contributions, or Technology Fees during the Measurement Periods. We have included a Royalty Fee, a Brand Fund Contribution, and a Technology Fee in the tables above as if Company-Owned Outlet #1 had paid these fees as required by the Franchise Agreement attached to this disclosure document. We did not include an adjustment for the required local advertising amount because we do not require you to spend a minimum amount once a location is rented at or above 75% capacity.
5. **EBITDA (if franchised)** – “EBITDA (if franchised)” does not include expenses related to taxes, interest on debt, depreciation, or amortization costs. The numbers included in this figure are equal to the Gross Revenue, minus the Total Key Operating Expenses and Estimated Franchise Operating Expenses, for each Measurement Period.
6. **EBITDA (if franchised) Margin** – EBITDA (if franchised) Margin is calculated by dividing the EBITDA (if franchised) figure by the Gross Revenue figure for a given Measurement Period.
7. **Suite Occupancy Rate** – The Suite Occupancy Rate measures the suites at Company-Owned Outlet #1 were under contract for rent during the entirety of the Measurement Period. The occupancy rates disclosed above do not account for partial months in which tenants were moving into, or out of, a given suite.
8. **Suite Profiles** – Company-Owned Outlet #1 operated from a location with a smaller footprint, and with less total suites than we anticipate your Beauty Bungalows Franchise have. Typical Beauty Bungalows franchise locations will be 5,500 to 8,000 square feet with 25-40 suites available.

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Part II - Company-Owned Outlet #2 (27 Suites | ~5,700 sqft.)¹

January 1, 2024 to December 31, 2024	
GROSS REVENUE²	\$534,966
Key Operating Expenses	
Advertising	\$643
Cleaning Supplies	\$691
Insurance	\$8,703
Janitorial	\$21,900
Legal/Licenses	\$109
Manager ³	\$0
Rent/NNN/CAMS Expense	\$251,715
Repairs & Maintenance	\$6,500
Utilities	\$19,406
Bank Fees	\$1,320
Total Key Operating Expenses	\$310,987
Estimated Franchise Operating Expenses⁴	
Royalty Fees (5.5%)	\$29,423
Brand Fund Contribution (1%)	\$5,350
Technology Fee	\$1,800
Total Franchise Expenses	\$36,573
EBITDA (if franchised)⁵	\$187,406
EBITDA (IF FRANCHISED) Profit Margin⁶	35%

Suite Profiles
Total Suites: 27
Suite Size Range: 110 - 200 sq ft.
Suite Rent Range: \$310 - \$545 per week

Notes to Part II:

- Company Owned Outlet #2** – Company-Owned Outlet #2 operates in Huntington Beach, California and has been open since April 2022. It is comprised of 27 individual suites of varying sizes. We estimate that your Beauty Bungalows Franchise location will typically be between 5,500 to 8,000 square feet and will contain 25-40 individual suites of varying sizes.
- Gross Revenue** – “Gross Revenue” means all amounts collected from suite rental income generated at Company-Owned Outlet #2 during each Measurement Period. Gross Revenue does not include any revenue collected in the form of taxes collected and then paid to applicable government agencies.
- Manager Compensation** – Company-Owned Outlet #2 was owner-operated and did not employ a dedicated Manager.
- Estimated Franchise Operating Expenses** – Company-Owned Outlet #2 did not pay us Royalty Fees, Brand Fund Contributions, or Technology Fees during the Measurement Period. We have included a Royalty Fee, a Brand Fund Contribution, and a Technology Fee in the tables above as if Company-Owned

Outlet #2 had paid these fees as required by the Franchise Agreement attached to this disclosure document. We did not include an adjustment for the required local advertising amount because we do not require you to spend a minimum amount once a location is rented at or above 75% capacity.

5. **EBITDA (if franchised)** – “EBITDA (if franchised)” does not include expenses related to taxes, interest on debt, depreciation, or amortization costs. The numbers included in this figure are equal to the Gross Revenue, minus the Total Key Operating Expenses and Estimated Franchise Operating Expenses, for each Measurement Period.

6. **EBITDA (if franchised) Margin** – EBITDA (if franchised) Margin is calculated by dividing the EBITDA (if franchised) figure by the Gross Revenue figure for a given Measurement Period.

Part III - Company-Owned Outlet #3 (29 Suites | ~6,000 sq ft.)¹

January 1, 2024 to December 31, 2024	
GROSS REVENUE²	\$334,405
Key Operating Expenses	
Advertising	\$25,300
Cleaning Supplies	\$1,157
Insurance	\$4,173
Janitorial	\$14,040
Legal/Licenses	\$590
Manager ³	\$16,400
Rent/NNN/CAMS Expense (3 months free)	\$97,319
Repairs & Maintenance	\$5,325
Utilities	\$16,637
Bank Fees	\$977
Total Key Operating Expenses	\$181,918
Estimated Franchise Operating Expenses⁴	
Royalty Fees (5.5%)	\$18,392
Brand Fund Contribution (1%)	\$3,344
Technology Fee	\$1,800
Total Franchise Expenses	\$23,536
EBITDA (if franchised)⁵	\$128,951
EBITDA (IF FRANCHISED) Profit Margin⁶	39%

Suite Profiles
Total Suites: 29
Suite Size Range: 115 – 213 sq ft.
Suite Rent Range: \$285 - \$530 per week

Notes to Part III:

7. **Company Owned Outlet #3** – Company-Owned Outlet #3 operates in Clovis, California and has been open since March 2023. It is comprised of 29 individual suites of varying sizes. We estimate that your Beauty Bungalows Franchise location will typically be between 5,500 to 8,000 square feet and will contain 25-40 individual suites of varying sizes.

8. **Gross Revenue** – “Gross Revenue” means all amounts collected from suite rental income generated at Company-Owned Outlet #3 during each Measurement Period. Gross Revenue does not include any revenue collected in the form of taxes collected and then paid to applicable government agencies.

9. **Estimated Franchise Operating Expenses** – Company-Owned Outlet #3 did not pay us Royalty Fees, Brand Fund Contributions, or Technology Fees during the Measurement Period. We have included a Royalty Fee, a Brand Fund Contribution, and a Technology Fee.

10. **EBITDA (if franchised)** – “EBITDA (if franchised)” does not include expenses related to taxes, interest on debt, depreciation, or amortization costs. The numbers included in this figure are equal to the Gross Revenue, minus the Total Key Operating Expenses and Estimated Franchise Operating Expenses, for each Measurement Period.

11. **EBITDA (if franchised) Margin** – EBITDA (if franchised) Margin is calculated by dividing the EBITDA (if franchised) figure by the Gross Revenue figure for a given Measurement Period.

Notes Regarding the Company-Owned Outlets and Item 19 Generally:

1. This Item 19 does not reflect certain pre-opening costs and expenses over the Measuring Period that you are likely to incur in connection with development of a new Outlet. See Item 7 for details about pre-opening costs for your Business.

2. The financial performance representation does not reflect all of the costs of sales, operating expenses, or other costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your Beauty Bungalows business. Franchisees or former franchisees, listed in Exhibit D of this Franchise Disclosure Document, may be one source of this information.

Other than the preceding financial performance representation, Beauty Bungalows 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 Jade Blevens, 526 Main Street, Huntington Beach, Ca 92648, and 209-996-8722, 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 2022 TO 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	0	0
Company-Owned	2022	1	2	1
	2023	2	3	1
	2024	3	4	1
Total Outlets	2022	1	2	1
	2023	2	3	1
	2024	3	4	1

TABLE NO. 2
TRANSFERS OF OUTLETS FROM FRANCHISEES TO
NEW OWNERS (OTHER THAN THE FRANCHISOR)
FOR YEARS 2022 TO 2024

STATE	YEAR	NUMBER OF TRANSFERS
TOTAL	2022	0
	2023	0
	2024	0

TABLE NO. 3
STATUS OF FRANCHISED LOCATIONS
FOR YEARS 2022 TO 2024

State	Year	Outlets at the Start of the Year	Outlets Opened	Terminations	Non-Renewals	Reacquired by Franchisor	Ceased Operations – Other Reasons	Outlets at End of the Year
Totals	2022	0	0	0	0	0	0	0
	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0

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