

## **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 franchisee 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.

This financial performance representations below contain historical data for the 2024 calendar year for certain franchisee-owned Image Studios Salons who met our reporting requirements by submitting monthly financial reports for the entire 2024 calendar year. Tables 1-4 show average and median information for total revenue and estimated earnings after key operating expenses and royalty expenses during the reporting period for the 60 franchisee-owned Image Studios Salons that were in operation from January 1 through December 31, 2024 and who met our reporting requirements (“Reporting Salons”). These outlets had at least 12 months or more of operations. Tables 1-4 break out this information for subsets of the 60 Reporting Salons based on each cohort’s achieved occupancy percentage as of December 31, 2024. See the notes following each table for additional information. These Image Studios Salons are located in urban or suburban areas. There was one company-owned outlet that opened in 2021 whose financial data is not included in the financial performance representations. See the notes following the tables regarding excluded outlets.

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TABLE 1 – TOTAL 2024 REVENUE AND ESTIMATED EARNINGS (UNITS THAT ACHIEVED 90%+ OCCUPANCY)

TOTAL 2024 REVENUE <sup>(1)</sup>	Average	% of Revenue	# of stores above	% of stores above	Median	% of Revenue
	\$503,685	100.00%	15	51.72%	\$520,480	100.00%

KEY OPERATING EXPENSES <sup>(2)</sup>	Average	% of Revenue	# of stores above	% of stores above	Median	% of Revenue
Accounting	\$4,280	0.85%	14	48.28%	\$3,315	0.64%
Advertising	\$13,760	2.73%	13	44.83%	\$12,136	2.33%
Cleaning Supplies	\$1,555	0.31%	10	34.48%	\$543	0.10%
Insurance	\$4,802	0.95%	8	27.59%	\$3,213	0.62%
Janitorial	\$10,954	2.17%	11	37.93%	\$10,225	1.96%
Legal	\$1,721	0.34%	6	20.69%	\$75	0.01%
Office Supplies	\$3,125	0.62%	16	55.17%	\$3,745	0.72%
Rent & NNN/CAMS Expense	\$186,881	37.10%	15	51.72%	\$189,665	36.44%
Repairs & Maintenance	\$11,077	2.20%	11	37.93%	\$9,852	1.89%
Utilities	\$10,244	2.03%	6	20.69%	\$7,438	1.43%
<b>TOTAL KEY OPERATING EXPENSES</b>	<b>\$248,399</b>	<b>49.32%</b>	<b>11</b>	<b>37.93%</b>	<b>\$240,208</b>	<b>46.15%</b>

ESTIMATED EARNINGS BEFORE ROYALTIES	\$255,286	50.68%	11	37.93%	\$280,272	53.85%
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ROYALTY EXPENSE <sup>(3)</sup>	Average	% of Revenue	# of stores above	% of stores above	Median	% of Revenue
Royalty Expense (5.5%)	\$27,703	5.50%	15	51.72%	\$28,626	5.50%
BDF Expense (2.0%)	\$10,074	2.00%	14	48.28%	\$10,410	2.00%
<b>TOTAL ROYALTY EXPENSE</b>	<b>\$37,776</b>	<b>7.50%</b>	<b>14</b>	<b>48.28%</b>	<b>\$39,036</b>	<b>7.50%</b>

2024 ESTIMATED EARNINGS AFTER KEY EXPENSES <sup>(4)</sup>	Average	% of Revenue	# of stores above	% of stores above	Median	% of Revenue
	\$217,510	43.18%	14	48.28%	\$241,236	46.35%

## **NOTES**

Tables 1-4 collectively include all 60 IMAGE Studios salons that were open for the entire January 1 to December 31, 2024 reporting period and who met our reporting requirements. Tables 1-4 exclude 8 outlets that did not meet our reporting requirements and 31 outlets that opened after January 1, 2024 or left the system during the reporting period. Table 1 above includes only the 29 Reporting Salons who achieved 90%+ occupancy by December 31, 2024. One of the eight outlets excluded from the Reporting Salons for not meeting our reporting requirements would have been in this cohort.

- (1) “Total Revenue” consists of all receipts derived by a salon from gross rental receipts and other revenue, whether the receipts are evidenced by cash, credit, checks, services, property, or other means of exchange. For the 29 Reporting Salons included in Table 1, the highest reported revenue was \$814,360 and the lowest reported revenue was \$290,172.
- (2) “Key Operating Expenses” include the primary and material expenses that IMAGE Studios Salons incur in the operation of their franchised business. Key Operating Expenses is not necessarily all expenses and you will likely have other expenses that are excluded from Key Operating Expenses including common business deductions and expenses such as personal travel expenses through the business, personal automobile expenses, home office lease and expenses.
- (3) “Royalty Expense” includes the 5.5% Royalty Fee and 2% Brand Development Fee that were in effect during the reporting period. We have imputed the 5.5% Royalties and 2% Brand Development Fund contributions for all salons in Tables 1-4, though some of these franchised salons did not actually pay this amount. As noted in Item 6, the Royalty Fee is now 6% for new franchisees.
- (4) “Estimated Earnings After Key Expenses” is calculated by subtracting the Total Key Operating Expenses AND the Total Royalty Expense from Total Revenue.
- (5) The current royalty amount is 6.0% and the current amount for the Brand Development Fund is 2%. You will be expected to pay the Royalties and Brand Development Fund contributions required in your franchise agreement.
- (6) The franchisor allowed some franchisees whose data was used to create this table to spend less than the minimum local marketing expenditures. You will be expected to meet your local marketing requirements. See Item 6, above.

TABLE 2 – TOTAL 2024 REVENUE AND ESTIMATED EARNINGS (UNITS THAT ACHIEVED 80-89% OCCUPANCY)

TOTAL 2024 REVENUE <sup>(1)</sup>	Average	% of Revenue	# of stores above	% of stores above	Median	% of Revenue
	\$396,333	100.00%	5	38.46%	\$351,482	100.00%

KEY OPERATING EXPENSES <sup>(2)</sup>	Average	% of Revenue	# of stores above	% of stores above	Median	% of Revenue
Accounting	\$4,254	1.07%	7	53.85%	\$5,545	1.58%
Advertising	\$21,321	5.38%	5	38.46%	\$20,248	5.76%
Cleaning Supplies	\$1,513	0.38%	4	30.77%	\$1,243	0.35%
Insurance	\$3,285	0.83%	4	30.77%	\$2,745	0.78%
Janitorial	\$10,833	2.73%	5	38.46%	\$8,640	2.46%
Legal	-\$1,336	-0.34%	11	84.62%	\$0	0.00%
Office Supplies	\$2,261	0.57%	4	30.77%	\$800	0.23%
Rent & NNN/CAMS Expense	\$170,794	43.09%	5	38.46%	\$157,237	44.74%
Repairs & Maintenance	\$9,947	2.51%	7	53.85%	\$10,558	3.00%
Utilities	\$5,446	1.37%	6	46.15%	\$4,771	1.36%
<b>TOTAL KEY OPERATING EXPENSES</b>	<b>\$228,318</b>	<b>57.61%</b>	<b>6</b>	<b>46.15%</b>	<b>\$211,787</b>	<b>60.26%</b>

ESTIMATED EARNINGS BEFORE ROYALTIES	\$168,014	42.39%	6	46.15%	\$139,695	39.74%
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ROYALTY EXPENSE <sup>(3)</sup>	Average	% of Revenue	# of stores above	% of stores above	Median	% of Revenue
Royalty Expense (5.5%)	\$21,798	5.50%	5	38.46%	\$19,332	5.50%
BDF Expense (2.0%)	\$7,927	2.00%	5	38.46%	\$7,030	2.00%
<b>TOTAL ROYALTY EXPENSE</b>	<b>\$29,725</b>	<b>7.50%</b>	<b>5</b>	<b>38.46%</b>	<b>\$26,361</b>	<b>7.50%</b>

2024 ESTIMATED EARNINGS AFTER KEY EXPENSES <sup>(4)</sup>	Average	% of Revenue	# of stores above	% of stores above	Median	% of Revenue
	\$138,289	34.89%	6	46.15%	\$113,334	32.24%

Table 2 includes the 13 Reporting Salons that achieved 80-89% occupancy by December 31, 2024. One of the eight outlets excluded from the Reporting Salons for not meeting our reporting requirements would have been in this cohort.

- (1) “Total Revenue” consists of all receipts derived by a salon from gross rental receipts and other revenue, whether the receipts are evidenced by cash, credit, checks, services, property, or other means of exchange. For the 13 Reporting Salons included in Table 2, the highest reported revenue was \$747,771 and the lowest reported revenue was \$129,861.
- (2) “Key Operating Expenses” include the primary and material expenses that IMAGE Studios Salons incur in the operation of their franchised business. Key Operating Expenses is not necessarily all expenses and you will likely have other expenses that are excluded from Key Operating Expenses including common business deductions and expenses such as personal travel expenses through the business, personal automobile expenses, home office lease and expenses.
- (3) “Royalty Expense” includes the 5.5% Royalty Fee and 2% Brand Development Fee that were in effect during the reporting period. We have imputed the 5.5% Royalties and 2% Brand Development Fund contributions for all salons in Tables 1-4, though some of these franchised salons did not actually pay this amount. As noted in Item 6, the Royalty Fee is now 6% for new franchisees.
- (4) “Estimated Earnings After Key Expenses” is calculated by subtracting the Total Key Operating Expenses AND the Total Royalty Expense from Total Revenue.
- (5) The current royalty amount is 6.0% and the current amount for the Brand Development Fund is 2%. You will be expected to pay the Royalties and Brand Development Fund contributions required in your franchise agreement.
- (6) The franchisor allowed some franchisees whose data was used to create this table to spend less than the minimum local marketing expenditures. You will be expected to meet your local marketing requirements. See Item 6, above.

TABLE 3 – TOTAL 2024 REVENUE AND ESTIMATED EARNINGS (UNITS THAT ACHIEVED 70-79% OCCUPANCY)

TOTAL 2024 REVENUE <sup>(1)</sup>	Average	% of Revenue	# of stores above	% of stores above	Median	% of Revenue
	\$352,681	100.00%	1	25.00%	\$291,547	100.00%

KEY OPERATING EXPENSES <sup>(2)</sup>	Average	% of Revenue	# of stores above	% of stores above	Median	% of Revenue
Accounting	\$7,422	2.10%	2	50.00%	\$6,932	2.38%
Advertising	\$11,575	3.28%	1	25.00%	\$8,900	3.05%
Cleaning Supplies	\$899	0.25%	1	25.00%	\$307	0.11%
Insurance	\$3,801	1.08%	1	25.00%	\$2,547	0.87%
Janitorial	\$13,213	3.75%	2	50.00%	\$13,110	4.50%
Legal	\$861	0.24%	1	25.00%	\$398	0.14%
Office Supplies	\$2,494	0.71%	2	50.00%	\$2,791	0.96%
Rent & NNN/CAMS Expense	\$174,367	49.44%	2	50.00%	\$175,196	60.09%
Repairs & Maintenance	\$8,959	2.54%	1	25.00%	\$4,702	1.61%
Utilities	\$4,896	1.39%	2	50.00%	\$4,541	1.56%
<b>TOTAL KEY OPERATING EXPENSES</b>	<b>\$228,487</b>	<b>64.79%</b>	<b>2</b>	<b>50.00%</b>	<b>\$219,424</b>	<b>75.26%</b>

ESTIMATED EARNINGS BEFORE ROYALTIES	\$124,194	35.21%	2	50.00%	\$72,123	24.74%
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ROYALTY EXPENSE <sup>(3)</sup>	Average	% of Revenue	# of stores above	% of stores above	Median	% of Revenue
Royalty Expense (5.5%)	\$19,397	5.50%	1	25.00%	\$16,035	5.50%
BDF Expense (2.0%)	\$7,054	2.00%	1	25.00%	\$5,831	2.00%
<b>TOTAL ROYALTY EXPENSE</b>	<b>\$26,451</b>	<b>7.50%</b>	<b>1</b>	<b>25.00%</b>	<b>\$21,866</b>	<b>7.50%</b>

2024 ESTIMATED EARNINGS AFTER KEY EXPENSES <sup>(4)</sup>	Average	% of Revenue	# of stores above	% of stores above	Median	% of Revenue
	\$97,743	27.71%	2	50.00%	\$50,257	17.24%

Table 3 includes the 4 Reporting Salons who achieved 70-79% occupancy by December 31, 2024. One of the eight outlets excluded from the Reporting Salons for not meeting our reporting requirements would have been in this cohort.

- (1) "Total Revenue" consists of all receipts derived by a salon from gross rental receipts and other revenue, whether the receipts are evidenced by cash, credit, checks, services, property, or other means of exchange. For the 4 Reporting Salons in Table 3, the highest reported revenue was \$581,837 and the lowest reported revenue was \$245,795.
- (2) "Key Operating Expenses" include the primary and material expenses that IMAGE Studios Salons incur in the operation of their franchised business. Key Operating Expenses is not necessarily all expenses and you will likely have other expenses that are excluded from Key Operating Expenses including common business deductions and expenses such as personal travel expenses through the business, personal automobile expenses, home office lease and expenses.
- (3) "Royalty Expense" includes the 5.5% Royalty Fee and 2% Brand Development Fee that were in effect during the reporting period. We have imputed the 5.5% Royalties and 2% Brand Development Fund contributions for all salons in Tables 1-4, though some of these franchised salons did not actually pay this amount. As noted in Item 6, the Royalty Fee is now 6% for new franchisees.
- (4) "Estimated Earnings After Key Expenses" is calculated by subtracting the Total Key Operating Expenses AND the Total Royalty Expense from Total Revenue.
- (5) The current royalty amount is 6.0% and the current amount for the Brand Development Fund is 2%. You will be expected to pay the Royalties and Brand Development Fund contributions required in your franchise agreement.
- (6) The franchisor allowed some franchisees whose data was used to create this table to spend less than the minimum local marketing expenditures. You will be expected to meet your local marketing requirements. See Item 6, above.

TABLE 4 – TOTAL 2024 REVENUE AND ESTIMATED EARNINGS (UNITS THAT ACHIEVED <70% OCCUPANCY)

TOTAL 2024 REVENUE <sup>(1)</sup>	Average	% of Revenue	# of stores above	% of stores above	Median	% of Revenue
	\$328,872	100.00%	5	35.71%	\$313,752	100.00%

KEY OPERATING EXPENSES <sup>(2)</sup>	Average	% of total	# of stores above	% of stores above	Median	% of total
Accounting	\$4,374	1.33%	9	64.29%	\$4,772	1.52%
Advertising	\$30,660	9.32%	8	57.14%	\$32,284	10.29%
Cleaning Supplies	\$947	0.29%	3	21.43%	\$287	0.09%
Insurance	\$4,815	1.46%	6	42.86%	\$2,417	0.77%
Janitorial	\$10,764	3.27%	5	35.71%	\$7,858	2.50%
Legal	\$213	0.06%	5	35.71%	\$0	0.00%
Office Supplies	\$1,875	0.57%	6	42.86%	\$1,696	0.54%
Rent & NNN/CAMS Expense	\$195,053	59.31%	8	57.14%	\$208,818	66.56%
Repairs & Maintenance	\$9,519	2.89%	5	35.71%	\$7,742	2.47%
Utilities	\$11,237	3.42%	6	42.86%	\$9,299	2.96%
<b>TOTAL KEY OPERATING EXPENSES</b>	<b>\$269,456</b>	<b>81.93%</b>	<b>6</b>	<b>42.86%</b>	<b>\$275,174</b>	<b>87.70%</b>

ESTIMATED EARNINGS BEFORE ROYALTIES	\$59,415	18.07%	6	42.86%	\$38,578	12.30%
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ROYALTY EXPENSE <sup>(3)</sup>	Average	% of Revenue	# of stores above	% of stores above	Median	% of Revenue
Royalty Expense (5.5%)	\$18,088	5.50%	5	35.71%	\$17,256	5.50%
BDF Expense (2.0%)	\$6,577	2.00%	6	42.86%	\$6,275	2.00%
<b>TOTAL ROYALTY EXPENSE</b>	<b>\$24,665</b>	<b>7.50%</b>	<b>6</b>	<b>42.86%</b>	<b>\$23,531</b>	<b>7.50%</b>

2024 ESTIMATED EARNINGS AFTER KEY EXPENSES <sup>(4)</sup>	Average	% of Revenue	# of stores above	% of stores above	Median	% of Revenue
	\$34,750	10.57%	6	42.86%	\$15,047	4.80%

Table 4 includes 14 Reporting Salons that achieved <70% occupancy as of December 31, 2024. The lowest occupancy percentage of these 14 outlets was 37%. Five of the eight outlets excluded from the Reporting Salons for not meeting our reporting requirements would have been in this cohort.

- (1) “Total Revenue” consists of all receipts derived by a salon from gross rental receipts and other revenue, whether the receipts are evidenced by cash, credit, checks, services, property, or other means of exchange. For the 14 Reporting Salons included in Table 4, the highest revenue was \$524,769 and the lowest reported revenue was \$142,498.
- (2) “Key Operating Expenses” include the primary and material expenses that IMAGE Studios Salons incur in the operation of their franchised business. Key Operating Expenses is not necessarily all expenses and you will likely have other expenses that are excluded from Key Operating Expenses including common business deductions and expenses such as personal travel expenses through the business, personal automobile expenses, home office lease and expenses.
- (3) “Royalty Expense” includes the 5.5% Royalty Fee and 2% Brand Development Fee that were in effect during the reporting period. We have imputed the 5.5% Royalties and 2% Brand Development Fund contributions for all salons in Tables 1-4, though some of these franchised salons did not actually pay this amount. As noted in Item 6, the Royalty Fee is now 6% for new franchisees.
- (4) “Estimated Earnings After Key Expenses” is calculated by subtracting the Total Key Operating Expenses AND the Total Royalty Expense from Total Revenue.
- (5) The current royalty amount is 6.0% and the current amount for the Brand Development Fund is 2%. You will be expected to pay the Royalties and Brand Development Fund contributions required in your franchise agreement.
- (6) The franchisor allowed some franchisees whose data was used to create this table to spend less than the minimum local marketing expenditures. You will be expected to meet your local marketing requirements. See Item 6, above.

Tables 5-7 include data for all 95 IMAGE Studios salons that opened by December 31, 2024, and are still operating as IMAGE Studios salons.

**TABLE 5 – STUDIO-LEVEL RENT WEEKLY RENTAL RATE AVERAGES AT THE TIME OF OPENING, BY OPENING YEAR**

Year	# Locations Opened	Average	Low	Median	High
2019 <sup>(1)</sup>	10	\$283	\$124	\$251	\$658
2020 <sup>(2)</sup>	8	\$311	\$130	\$292	\$720
2021 <sup>(3)</sup>	7	\$333	\$165	\$310	\$655
2022 <sup>(4)</sup>	13	\$394	\$193	\$350	\$825
2023 <sup>(5)</sup>	31	\$410	\$174	\$387	\$1250
2024 <sup>(6)</sup>	26	\$400	\$185	\$384	\$1060
All	95	\$355	\$124	\$329	\$1250

Table 5 represents the average weekly rent rates at date of opening for all locations opened in the same year, by year of opening.

- (1) Of the 10 locations that opened in 2019, 50% (5 locations) launched with average rent rates exceeding the \$283 average.
- (2) Of the 8 locations that opened in 2020, 50% (4 locations) launched with average rent rates exceeding the \$311 average.
- (3) Of the 7 locations that opened in 2021, 57% (4 locations) launched with average rent rates exceeding the \$333 average.

- (4) Of the 13 locations that opened in 2022, 54% (7 locations) launched with average rent rates exceeding the \$394 average.
- (5) Of the 31 locations that opened in 2023, 48% (15 locations) launched with average rent rates exceeding the \$410 average.
- (6) Of the 26 locations that opened in 2024, 42% (11 locations) launched with average rent rates exceeding the \$400 average.

**TABLE 6 – AVERAGE REVENUE BY MONTH OF OPERATION WITHIN THE FIRST YEAR, BY OPENING YEAR**

Year	# Locations Opened	1	2	3	4	5	6	7	8	9	10	11	12	Average
<b>2019<sup>(1)</sup></b>	10	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
<b>2020<sup>(2)</sup></b>	8	\$5,137	\$15,577	\$14,063	\$19,226	\$26,312	\$39,118	\$27,597	\$25,826	\$22,427	\$29,309	\$30,584	\$27,653	\$23,569
<b>2021<sup>(3)</sup></b>	7	\$5,796	\$10,664	\$21,429	\$21,494	\$27,108	\$26,932	\$24,864	\$30,332	\$30,182	\$34,020	\$30,943	\$35,681	\$24,954
<b>2022<sup>(4)</sup></b>	13	\$3,672	\$7,749	\$12,529	\$13,284	\$15,843	\$19,132	\$20,912	\$21,650	\$24,387	\$26,069	\$25,126	\$28,851	\$18,267
<b>2023<sup>(5)</sup></b>	31	\$2,156	\$11,634	\$19,149	\$22,776	\$26,617	\$28,174	\$28,367	\$32,691	\$32,144	\$34,915	\$36,958	\$36,869	\$26,038
<b>2024<sup>(6)</sup></b>	26	\$9,347	\$18,714	\$24,022	\$24,949	\$31,051	\$33,104	\$32,633	\$41,201	\$35,900	\$45,316	\$32,502	\$51,280	\$31,668
<b>All</b>	<b>95</b>	<b>\$5,222</b>	<b>\$12,867</b>	<b>\$18,239</b>	<b>\$20,346</b>	<b>\$25,386</b>	<b>\$29,292</b>	<b>\$26,874</b>	<b>\$30,340</b>	<b>\$29,008</b>	<b>\$33,926</b>	<b>\$31,223</b>	<b>\$36,067</b>	<b>\$24,899</b>

#### **NOTES**

Table 6 represents the average revenue ramp by year for the first 12 months of operation for all locations opened in the same year, independent of what month of the year the location opened. Month 1 represents the first month of opening, not January. The accounting software was changed in 2020 and data for 2019 and earlier is not available.

- (1) The accounting software was changed in 2020 and data for 2019 and earlier is not available.
- (2) Of the 8 locations that opened in 2020, 63% (5 locations) exceeded the average monthly revenue of \$23,569. The highest reported monthly average revenue was \$51,641 and the lowest monthly average reported revenue was \$4,652. The median was \$29,026.
- (3) Of the 7 locations that opened in 2021, 43% (3 locations) exceeded the average monthly revenue of \$24,954. The highest reported monthly average revenue was \$38,279 and the lowest monthly average reported revenue was \$9,062. The median was \$24,814.
- (4) Of the 13 locations that opened in 2022, 54% (7 locations) exceeded the average monthly revenue of \$18,267. The highest reported monthly average revenue was \$38,846 and the lowest monthly average reported revenue was \$469. The median was \$19,441.
- (5) Of the 31 locations that opened in 2023, 52% (16 locations) exceeded the average monthly revenue of \$26,038. The highest reported monthly average revenue was \$53,389 and the lowest monthly average reported revenue was \$10,012. The median was \$26,075.
- (6) Of the 26 locations that opened in 2024, 19% (5 locations) exceeded the average monthly revenue of \$31,668. The highest reported monthly average revenue was \$54,037 and the lowest monthly average reported revenue was \$8,407. The median was \$21,353. Note that the 26 locations opened during different times of the year and most did not have a full 12 month ramp.