

| Provision | Section in Agreement | Summary |
|---|--|--|
| u. Dispute resolution by arbitration or mediation | Sections 16.1-16.3 and 16.5 of Franchise Agreement Section 11 of Master Development Agreement | All disputes must be arbitrated in Minneapolis, Minnesota, subject to certain exceptions. All disputes must be arbitrated in Minneapolis, Minnesota, subject to certain exceptions. Subject to state law. See State Addenda attached as Exhibit P. |
| v. Choice of forum | Section 16.5 of Franchise Agreement Section 11 of Master Development Agreement | All legal proceedings must be held in Hennepin County, Minnesota. All legal proceedings must be held in Hennepin County, Minnesota. Subject to state law in certain states. See State Addenda attached as Exhibit P. |
| w. Choice of law | Section 22.1 of Franchise Agreement | The governing law will be the laws of the state in which the Authorized Location is located. Subject to state law in certain states. See State Addenda attached as Exhibit P. |

Item 18

PUBLIC FIGURES

Great Clips does not currently use any public figure to promote its franchise but reserves the right to do so in the future.

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.

In Section I and Table 1 below, Great Clips provides prospective franchisees with information regarding 2025 average sales of a certain subset of franchised GREAT CLIPS® salons (defined below as the “2025 Salons”). In addition, in Section II and Tables 2, 3 and 4 below, Great Clips provides prospective franchisees with information regarding 2025 average sales, expenses and cash flows of a certain smaller subset of franchised GREAT CLIPS® salons (defined below as the “Reporting 2025 Salons”).

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request, provided, however, that such substantiation shall not disclose the sales, expenses or cash flows of any specific franchised salon without the written authorization of the franchisee, except as required by any applicable state or federal registration authorities.

The average sales data included in Table 1 below was obtained from reviewing Great Clips' internal point of sale system ("POS System"), the system where franchisees input their salon sales numbers. Where sales data was reported by franchisees to Great Clips in Canadian dollars, Great Clips converted the reported Canadian dollars into the U.S. dollar equivalency by using a conversion rate of 0.71. Neither Great Clips nor its independent certified public accountants have independently audited or verified the financial information contained in the POS System.

The average sales, expenses, profits, cash flows and earnings data included in Tables 2 and 3 below was obtained from financial statements submitted to Great Clips by certain of its franchisees. Most franchisees use a cash versus accrual system for producing their financial statements, which may produce slight differences between the actual date of occurrence of expenses and the date such expenses are reported on the franchisee's financial statements. Where sales, expenses, profits, cash flows and earnings data was reported by franchisees to Great Clips in Canadian dollars, Great Clips converted the reported Canadian dollars into the U.S. dollar equivalency by using a conversion rate of 0.71. Neither Great Clips nor its independent certified public accountants have independently audited or verified these franchisee statements.

All GREAT CLIPS® salons offer substantially the same services and products to the public. Sales, expenses and cash flow results depend upon many independently variable factors including, but by no means limited to, the location and visibility of the salon, local traffic patterns, the demographic composition, age of the market and trends of the market area served by the salon, the competitive environment, public awareness of and goodwill associated with the name GREAT CLIPS®, the region and market area in which the salon is located, the length of time the salon has been in operation, the quality of the management and service at the salon, labor costs, the individual skills of the franchisee and other factors.

Many GREAT CLIPS® franchisees operate more than one salon. As of December 31, 2025, the average number of salons per franchisee who has operated GREAT CLIPS® salons for over five years is 8.5, and the median number of salons per franchisee who has operated GREAT CLIPS® salons for over five years is 5.

SECTION I

AVERAGE YEARLY SALES

ALL SALONS ELIGIBLE TO BE OPEN DURING THE ENTIRE 2025 PERIOD

As of December 31, 2025, there were 4,441 GREAT CLIPS® salons eligible to be open in the United States and Canada. Of these 4,441 GREAT CLIPS® salons in the United States and Canada as of December 31, 2025, 4,158 are included in the Table 1 below (the "2025 Salons"). To be considered a 2025 Salon, the salon must have been eligible to be open (as defined below) during the entire time period from January 1, 2025 to December 31, 2025 (the "2025 Period"). A salon is considered "eligible to be open" if Great Clips has entered into a franchise agreement for the salon and approved and authorized the salon to be open and operating as a GREAT CLIPS® salon. The 283 GREAT CLIPS® salons that were eligible to be open as of December 31, 2025, but not included among the 2025 Salons in Table 1 below, were excluded because those salons were either: (1) not approved or authorized to be open for business on January 1, 2025 and during

the entire 2025 Period; or (2) assigned to a new franchisee and changed ownership during the 2025 Period. The hours of operation for the 4,158 GREAT CLIPS® salons included in this Section I varied from salon to salon during the 2025 Period. Table 1 below contains information relating solely to historical sales data compiled from the 2025 Salons for the 2025 Period.

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TABLE 1
AVERAGE YEARLY SALES
ALL SALONS ELIGIBLE TO BE OPEN DURING THE ENTIRE 2025 PERIOD

| # of 2025 Salons | Average Annual Sales ¹ | | Number / Percent that Attained or Exceeded Average | Low / High | Median |
|------------------------|-----------------------------------|-----------|--|-------------------------------------|-----------|
| 4,158 | Service Sales ² | \$400,667 | 1,844 / 44.35% | \$27,439 / \$1,037,494 | \$381,782 |
| | Product Sales ³ | \$10,116 | 1,609 / 38.70% | \$0 / \$86,446 | \$8,484 |
| | Total Sales ⁴ | \$410,783 | 1,848 / 44.44% | \$28,036 ⁵ / \$1,082,803 | \$390,685 |

Notes to Table 1

1. Average Annual Sales. “Average Annual Sales” means the average of the annual sales of the 2025 Salons for the 2025 Period broken out by sales categories.
2. Service Sales. “Service Sales” means all sales from a GREAT CLIPS® salon for services, including without limitation haircuts, shampooing, conditioning, styling, bang trims, neck trims or beard trims.
3. Product Sales. “Product Sales” means all sales from a GREAT CLIPS® salon for products, including without limitation shampoo, conditioner, gel, and hairspray.
4. Total Sales. “Total Sales” means total of Service Sales and Product Sales from a from a GREAT CLIPS® salon.
5. Lowest Salon – Total Sales. Of the 2025 Salons, the lowest amount in Total Sales at any salon was \$28,036. This particular salon was only open to customers during 6 nonconsecutive months of the 2025 Period, but it is included among the 2025 Salons because the salon was eligible to be open during the entire 2025 Period, notwithstanding that the salon was closed and had no sales in 36 different weeks of the 2025 Period.

During the 2025 Period, 108 GREAT CLIPS® salons in the United States and Canada closed and permanently ceased operations, and among these salons, 0 closed and permanently ceased operations after being open less than 12 months. The salons described in the preceding sentence are among those excluded from Table 1 above.

SECTION II

AVERAGE OPERATING CASH FLOW OF CERTAIN GREAT CLIPS® SALONS
GENERAL DESCRIPTION AND METHODOLOGY

The following statement (referred to in this Disclosure Document as the “Average Operating Cash Flow Statement”) consists of the average sales and expenses of 2,376 of the 2025 Salons (totaling

4,158) that provided sufficient data to Great Clips (the “Reporting 2025 Salons”) to allow Great Clips to include them in the Average Operating Cash Flow Statement. The number of Reporting 2025 Salons is 2,376. 2025 Salons that provided Great Clips with no or insufficient data to be reasonably assured of having accurate and complete expense information were excluded (the “Non-Reporting 2025 Salons”). The number of Non-Reporting 2025 Salons is 1,782.

The Non-Reporting 2025 Salons were not distributed evenly over the entire dataset, based on total sales. Of the Non-Reporting 2025 Salons, 763 had total sales at or above the median of the Reporting 2025 Salons, and 1,019 had total sales below the median of the Reporting 2025 Salons. If all 1,782 Non-Reporting 2025 Salons had been included in the metrics reported for the Reporting 2025 Salons, the median total sales in the Reporting 2025 Salons would have decreased by 2.8%.

The average expenses, profits, cash flows and earnings data included in Tables 2 and 3 below was obtained from financial statements submitted to Great Clips by the Franchisees of the Reporting 2025 Salons. The time frame or accounting period of these financial statements was the most current available to Great Clips, but, in some cases, did not match the exact time frame from which sales figures were drawn. Therefore, some information was annualized to extract a full year’s worth of data. Tables 2 and 3 below contain information relating solely to historical sales and expense data compiled from the Reporting 2025 Salons for the 2025 Period. Totals in Table 2 and 3 may not equal the sum of individual line items due to rounding (figures have been rounded to the nearest dollar or decimal).

TABLE 2
AVERAGE OPERATING CASH FLOW STATEMENT
OF REPORTING 2025 SALONS

| Average Annual Sales ¹ | Average Annual Sales | Percent of Total Sales | Median Annual Sales |
|--|----------------------------|------------------------|------------------------|
| Service Sales ³ | \$411,368 ¹² | 97.42% | \$390,960 |
| Product Sales ³ | <u>10,914¹³</u> | <u>2.58%</u> | <u>9,218</u> |
| Total Sales ³ | \$422,283 ¹⁴ | 100.00% | \$402,271 |
| Average Annual Expenses ² | Average Annual Expenses | Percent of Total Sales | Median Annual Expenses |
| Labor ⁴ | \$207,978 | 49.25% | \$196,393 |
| Occupancy ⁵ | 46,850 | 11.09% | 45,711 |
| Products ⁶ | 7,116 | 1.69% | 6,460 |
| Continuing Franchise Fees ⁷ | 25,435 | 6.02% | 24,261 |
| Advertising ⁸ | 22,422 | 5.31% | 21,408 |
| Other ⁹ | <u>28,978</u> | <u>6.86%</u> | <u>27,709</u> |
| Total Expenses ¹⁰ | \$338,778 | 80.23% | \$324,531 |
| Operating Cash Flow ¹¹ | \$83,504 | 19.77% | \$75,896 |

TABLE 3
AVERAGES BASED ON SALES RANGE
OF REPORTING 2025 SALONS

| <u>Salons</u> | | | <u>Average Expenses as a % of Sales</u> | | | | | | |
|---|--------------|-------------|--|---------------|------------------|------------------|---------------|----------------------|-----------------------|
| Average Annual Sales Range (\$ in 000's) | Count | % | Average Annual Sales in Range | Labor | Occupancy | All Other | Total | Cash Flow (%) | Cash Flow (\$) |
| <\$250 | 188 | 7.91% | \$213,290 ¹⁷ | 58.81% | 19.90% | 23.75% | 102.46% | -2.46% | (\$5,248) |
| \$250 - \$300 | 268 | 11.28% | \$278,367 ¹⁸ | 53.22% | 16.03% | 22.38% | 91.62% | 8.38% | \$23,321 |
| \$300 - \$350 | 354 | 14.90% | \$324,699 ¹⁹ | 50.78% | 13.53% | 21.30% | 85.61% | 14.39% | \$46,711 |
| \$350 - \$400 | 368 | 15.49% | \$373,803 ²⁰ | 48.88% | 12.38% | 20.42% | 81.68% | 18.32% | \$68,492 |
| \$400 - \$450 | 333 | 14.02% | \$426,068 ²¹ | 49.20% | 11.42% | 20.01% | 80.64% | 19.36% | \$82,502 |
| \$450 - \$500 | 250 | 10.52% | \$473,840 ²² | 48.01% | 9.85% | 19.61% | 77.46% | 22.54% | \$106,798 |
| \$500 - \$600 | 341 | 14.35% | \$543,119 ²³ | 47.52% | 9.09% | 18.72% | 75.34% | 24.66% | \$133,950 |
| >\$600 | 274 | 11.53% | \$695,605 ²⁴ | 47.52% | 7.39% | 18.04% | 72.95% | 27.05% | \$188,148 |
| All Salons in Sample | 2,376 | 100% | \$422,283 | 49.25% | 11.09% | 19.88% | 80.23% | 19.77% | \$83,504 |

Notes to Tables 2 and 3

1. **Average Annual Sales.** “Average Annual Sales” means the average of the annual sales of the Reporting 2025 Salons for the 2025 Period broken out by sales categories.
2. **Average Annual Expenses.** “Average Annual Expenses” means the average of the annual expenses of the Reporting 2025 Salons for the 2025 Period broken out by expense categories.
3. **Service Sales, Product Sales and Total Sales.** The definitions of “Service Sales,” “Product Sales” and “Total Sales” in Notes 2, 3 and 4 to Table 1 above also apply to Tables 2 and 3.
4. **Labor.** “Labor” includes all employee-related expenses including: wages, salary, bonus, commission, payroll taxes, insurance benefits, other benefits, and workers’ compensation expenses. Also includes the cost of salon manager but excludes, if identifiable, any labor expense related to general manager or franchisee.
5. **Occupancy.** “Occupancy” includes all rent, common area maintenance, real estate taxes plus percentage rent paid, if any. Also includes any other lease-related charges such as maintenance, security, trash removal, merchant association dues or charges or shopping center promotional expenses.
6. **Products.** “Products” includes the cost of all product purchased for resale or for back bar customer service usage plus all freight or delivery costs associated with the product.

7. Continuing Franchise Fees. All GREAT CLIPS® salons in the System pay identical Continuing Franchise Fees of 6%. The model is not exactly 6% due to the fact that the franchisees predominately use a cash rather than accrual basis for accounting purposes.
8. Advertising. All GREAT CLIPS® salons in the System pay identical amounts of 5% of gross sales into the Ad Fund. In addition, virtually all franchisees participate in other discretionary advertising on a local or regional basis.
9. Other. This “Other” category includes all other cash expense items and categories not included elsewhere. These would include: travel and entertainment, supplies, dues and subscriptions, telephone, utilities, non-real estate repairs and maintenance, insurance, postage, freight, bad debts, taxes and fees, cash over/short, recruitment expense, laundry, meals, equipment purchase, credit card charges, accounting and legal, payroll processing, employee theft/losses, deposits, bank charges, uniforms, licenses, contributions, meeting expenses, bad checks, printing, inventory differences, computer charges, extraneous gift card and convention expenses.
10. Total Expenses. “Total Expenses” means the total expenses of Labor, Occupancy, Products, Continuing Franchise Fees, Advertising and Other incurred by a GREAT CLIPS® salon.
11. Operating Cash Flow. “Operating Cash Flow” was calculated by subtracting Total Expenses from Total Sales. Operating Cash Flow does not include any provision for income taxes or for non-cash expenses such as depreciation or amortization. It also does not include any reserve for future capital expenditures. Although it does not include any provision for income taxes, Operating Cash Flow is reduced by the amount of Total Expenses incurred, which includes employer payroll taxes (as a component of labor expenses); beginning in 2025, however, employers operating in industries where tipping is customary (including hair salons) may be eligible under federal law for a tax credit equal to the employer’s share of payroll taxes paid on a portion of employee-reported tips. The results presented reflect the payroll taxes incurred by Salons during the applicable period and no adjustment has been made to the Operating Cash Flow for the effect of any applicable tax credits or other tax benefits that may be available to eligible employers.
12. Additional Service Sales Information. Of the 2,376 Reporting Salons, the highest actual annual service sales were \$1,036,312 and the lowest actual annual service sales were \$135,208. Further, 1,057 Reporting 2025 Salons (or 44.5%) exceeded the average. The median annual service sales for the group were \$390,960.
13. Additional Product Sales Information. Of the 2,376 Reporting Salons, the highest actual annual product sales were \$86,577 and the lowest actual annual product sales were \$0. Further, 905 Reporting 2025 Salons (or 38.1%) exceeded the average. The median annual product sales for the group were \$9,218.

14. Additional Total Sales Information. Of the 2,376 Reporting Salons, the highest actual annual total sales were \$1,063,124 and the lowest actual annual total sales were \$137,034. Further, 1,052 Reporting 2025 Salons (or 44.3%) exceeded the average. The median annual total sales for the group were \$402,271.
15. Additional Total Expenses Information. Of the 2,376 Reporting Salons, the highest actual annual total expenses were \$774,106 and the lowest actual annual total expenses were \$112,352. Further, 1,045 Reporting 2025 Salons (or 44.0%) met or were below the average. The median annual total expenses for the group were \$324,531.
16. Additional Operating Cash Flow Information. Of the 2,376 Reporting Salons, the highest actual annual operating cash flow was \$336,116 and the lowest actual annual operating cash flow was -\$130,672. Further, 1,087 Reporting 2025 Salons (or 45.7%) exceeded the average. The median annual operating cash flow for the group was \$75,896.
17. Additional Average Annual Sales Information for <\$250 Annual Sales Range. Of the 188 Reporting 2025 Salons in the Less Than \$250k Annual Sales Range, the highest actual annual sales in this group were \$249,675 and the lowest actual annual sales in this group were \$137,034. Further, 98 Reporting 2025 Salons in this group (or 52.1%) exceeded the average. The median sales figure for this group is \$221,198.
18. Additional Average Annual Sales Information for \$250 - \$300 Annual Sales Range. Of the 268 Reporting 2025 Salons in the \$250k - \$300k Annual Sales Range, the highest actual annual sales in this group were \$299,427 and the lowest actual annual sales in this group were \$250,080. Further, 133 Reporting 2025 Salons in this group (or 49.6%) exceeded the average. The median sales figure for this group is \$280,169.
19. Additional Average Annual Sales Information for \$300 - \$350 Annual Sales Range. Of the 354 Reporting 2025 Salons in the \$300k - \$350k Annual Sales Range, the highest actual annual sales in this group were \$349,874 and the lowest actual annual sales in this group were \$300,035. Further, 176 Reporting 2025 Salons in this group (or 49.7%) exceeded the average. The median sales figure for this group is \$325,253.
20. Additional Average Annual Sales Information for \$350 - \$400 Annual Sales Range. Of the 368 Reporting 2025 Salons in the \$350k - \$400k Annual Sales Range, the highest actual annual sales in this group were \$399,790 and the lowest actual annual sales in this group were \$350,005. Further, 175 Reporting 2025 Salons in this group (or 47.6%) exceeded the average. The median sales figure for this group is \$372,844.
21. Additional Average Annual Sales Information for \$400 - \$450 Annual Sales Range. Of the 333 Reporting 2025 Salons in the \$400k - \$450k Annual Sales Range, the highest actual annual sales in this group were \$449,908 and the lowest actual annual sales in this group were \$400,202. Further, 168 Reporting 2025 Salons in this group (or 50.5%) exceeded the average. The median sales figure for this group is \$426,675.

22. Additional Average Annual Sales Information for \$450 - \$500 Annual Sales Range. Of the 250 Reporting 2025 Salons in the \$450k - \$500k Annual Sales Range, the highest actual annual sales in this group were \$499,959 and the lowest actual annual sales in this group were \$450,130. Further, 117 Reporting 2025 Salons in this group (or 46.8%) exceeded the average. The median sales figure for this group is \$472,007.
23. Additional Average Annual Sales Information for \$500 - \$600 Annual Sales Range. Of the 341 Reporting 2025 Salons in the \$500k - \$600k Annual Sales Range, the highest actual annual sales in this group were \$599,709 and the lowest actual annual sales in this group were \$500,148. Further, 162 Reporting 2025 Salons in this group (or 47.5%) exceeded the average. The median sales figure for this group is \$539,661.
24. Additional Average Annual Sales Information for >\$600 Annual Sales Range. Of the 274 Reporting 2025 Salons in the \$600k or More Annual Sales Range, the highest actual annual sales in this group were \$1,063,124 and the lowest actual annual sales in this group were \$600,687. Further, 105 Reporting 2025 Salons in this group (or 38.3%) exceeded the average. The median sales figure for this group is \$675,303.

TABLE 4
LOCATION OF REPORTING 2025 SALONS

The 2,376 Reporting 2025 Salons were located in the following states/provinces:

| State/Province | Number of Salons |
|----------------------|------------------|
| Alberta | 15 |
| British Columbia | 21 |
| District of Columbia | 1 |
| Ontario | 39 |
| Alabama | 52 |
| Arizona | 108 |
| California | 123 |
| Colorado | 37 |
| Connecticut | 7 |
| Delaware | 11 |
| Florida | 170 |
| Georgia | 143 |
| Hawaii | 6 |
| Iowa | 45 |
| Idaho | 10 |
| Illinois | 136 |
| Indiana | 92 |
| Kansas | 35 |
| Kentucky | 38 |
| Louisiana | 1 |
| Maryland | 21 |
| Maine | 2 |
| Massachusetts | 4 |
| Michigan | 44 |
| Minnesota | 52 |
| Missouri | 59 |
| Montana | 13 |
| North Carolina | 153 |
| Nebraska | 20 |

| State/Province | Number of Salons |
|----------------|------------------|
| New Hampshire | 10 |
| New Jersey | 19 |
| New Mexico | 8 |
| Nevada | 32 |
| New York | 15 |
| Ohio | 186 |
| Oklahoma | 15 |
| Oregon | 41 |
| Pennsylvania | 84 |
| Rhode Island | 2 |
| South Carolina | 55 |
| South Dakota | 1 |
| Tennessee | 25 |
| Texas | 253 |
| Utah | 24 |
| Virginia | 62 |
| Vermont | 2 |
| Washington | 60 |
| Wisconsin | 9 |
| West Virginia | 11 |
| Wyoming | 4 |

Some salons have sold and earned this amount. Your individual results may differ. There is no assurance that you will sell or earn as much.

Newly opened GREAT CLIPS® salons tend to have average sales and cash flows significantly below the average for the salons included in Tables 1, 2 and 3 above. This is especially true of new GREAT CLIPS® salons opened by new franchisees in markets that have few existing salons. Markets with many GREAT CLIPS® salons and correspondingly larger cooperative advertising budgets tend to have salons with higher sales and cash flows than markets with few existing salons.

You are responsible for developing your own business plan for your proposed GREAT CLIPS® salon, including capital budgets, pro forma financial statements, sales and expense projections and other elements appropriate to the particular circumstances of the proposed salon.

Other than the preceding financial performance representation, Great Clips, 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 information or projections of your future income, you should report it to the franchisor's management by contacting Kerry Bundy, Chief Legal Officer at (952) 746-6582, the Federal Trade Commission, and the appropriate state regulatory agencies.