

	Provision	Section in Multi-Unit Development Agreement	Summary
w.	Choice of law	Section 10.5	Minnesota, subject to applicable state law.

See the state addenda to this Franchise Disclosure Document and the Franchise Agreement for special state disclosures.

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.

As of the most recent calendar year ending December 31, 2025, we had 1 affiliate-owned outlet open and operating in Cumming, Georgia, and one franchised outlet. The franchised outlet was excluded because it was not open for a full 12 months. This financial performance representation is a historic representation based on the past performance of our affiliate-owned outlet. Our affiliate-owned outlet operates in substantially the same manner and offers the same goods and services that our franchised outlets offer.

Table 1		
Characteristics of Company Owned Outlet		
Location	Cumming, GA	
Square Footage	3600	
Chairs	23	
Year Opened	Jan-2009	
Days	Operating Hours	Total Hours of Operation
Monday	Closed	
Tuesday	9am - 8pm	11
Wednesday	9am - 5pm	8
Thursday	9am - 8pm	11
Friday	9am - 5pm	8
Saturday	9am - 4pm	7
Sunday	Closed	
Weekly Total Hours		45

Table 2				
	2025 Amount	% of Gross Sales	2024 Amount	% of Gross Sales
Total Gross Revenue (1)	\$748,885.	100%	\$695,277.	100%

Cost of Services Provided				
Stylist Commission (2)	\$166,593.	22.24%	\$152,353.	21.91%
Cost of Goods Sold (3)	\$100,993.	13.48%	\$91,217.	13.11%
Direct Labor	\$64,237.	8.57%	\$66,851.	9.61%
Total Cost of Services Provided	\$331,823.	44.30%	\$310,421.	44.63%
Gross Profit	\$417,062.	55.69%	\$384,856.	55.35%
Disclosed Expenses				
Occupancy Expense	\$69,008.	9.21%	\$69,219.	9.95%
Management Salary	\$39,538.	5.28%	\$33,705.	4.84%
Merchant processing Fees	\$12,012.	1.60%	\$5,312.	0.76%
Office Supplies	\$10,944.	1.46%	\$9,916.	0.14%
Software Licensing Fees	\$10,666.	1.42%	\$8,101.	0.11%
Utilities	\$9,496.	1.27%	\$8,579.	0.12%
Cleaning Expenses	\$9,210.	1.23%	\$8,575.	0.12%
Professional Fees	\$7,775.	1.04%	\$4,555.	0.06%
Beverage Bar	\$7,136.	0.95%	\$6,622.	0.09%
Repairs & Maintenance	\$4,822.	0.64%	\$2,823.	0.04%
Insurance Expense	\$2,393.	0.32%	\$4,903.	0.07%
Advertising & Marketing	\$2,093.	0.28%	\$1,029.	0.01%
All Other Expenses	\$3,941.	0.53%	\$11,887.	0.17%
Gross Profit Less Disclosed Expenses	\$228,028.	30.44%	\$209,630.	30.15%
Imputed Fees				
Royalty	\$44,933.	6%	\$41,716.	6%
Brand Fund	N/A	0.00%	N/A	0.00%
Local Advertising	\$9,907.	1.32%	\$4,971	0.07%
Technology Fee	\$2,388.	0.32%	\$1,500	0.02%
Gross Profit (Less Disclosed Expenses & Imputed Fees)	\$170,800.	22.80%	161,443.	23.2%

Footnotes:

- (1) Gross revenue includes stylists' tips of \$31,827 in 2024 and \$35,743. in 2025.
- (2) Stylists' commissions include tips totaling \$31,827 in 2024 and \$35,743 in 2025.
- (3) COGS includes the cost of retail products, commissions paid on product sales, and products used in-salon.

Table 2a Total Value of All Services and Product for Company Owned Salon Year Over Year Sales Growth Measurement Period 2024, 2025					
Year	Service Sales	Product Sales	Total Sales	Total Transactions	Average Transaction
2024	\$1,837,219	\$133,875	\$1,971,094	16,800	\$117
2025	\$2,188,983	\$145,435	\$2,334,418	16,347	\$143
% Increase	19.1%	8.6%	18.4%	-2.7%	21.7%

Table 3 Results of Our Company Owned Outlet Payroll Details - 2025				
Direct Labor	Total Gross Wages	Hourly Rate	Total Hours	Full time Equivalent
Guest Relations #1	\$1,749	\$11	158.9	0.08
Guest Relations #2	\$698	\$13	53.68	0.03
Guest Relations #3	\$23,237	\$16	1468.4	0.71
Guest Relations #4	\$2,264	\$12	188.7	0.09
Guest Relations #5	\$7,329	\$15	488.6	0.23
Payroll Taxes	\$3,762			
Subtotal Guest Relations	\$39,039		2358.28	1.13
Laundry	\$25,043	\$16	1565.2	0.75
Payroll Taxes	\$2,969			
Total Direct Labor	\$67,051		3923.48	1.89
Management Labor	\$36,233	\$20	1810	0.87
Payroll Taxes	\$3,305			
Total Management Salaries	\$39,538		1810	0.87

Table 4
Results of Our Company Owned Outlet
Stylist Retention

	Months	Years
Stylist 1	78	6.5
Stylist 2	141	11.8
Stylist 3	193	16.1
Stylist 4	69	5.8
Stylist 5	28	2.3
Stylist 6	185	15.4
Stylist 7	103	8.6
Stylist 8	2	0.2
Stylist 9	181	15.1
Stylist 10	71	5.9
Stylist 11	179	14.9
Stylist 12	123	10.3
Stylist 13	141	11.8
Stylist 14	195	16.3
Stylist 15	190	15.8
Stylist 16	151	12.6
Stylist 17	71	5.9
Stylist 18	32	2.7
Stylist 19	195	16.3
Stylist 20	34	2.8
Stylist 21	181	15.1
Stylist 22	90	7.5
Stylist 23	179	14.9
Stylist 24	15	1.3
Stylist 25	16	1.3
Stylist 26	11	0.9
Stylist 27	143	11.9
Average	111.00	9.25
Highest	195	16.25
Lowest	2	0.17
Median	123	10.25
# Above Average	14	14

Notes:

¹ The information contained in this Table has not been audited.

² Gross Sales means all income less pass-through sales taxes and refunds to customers.

³ Our affiliate-owned outlet is not subject to the same territorial restrictions of a franchised outlet and does not pay the royalty fee, technology fee, brand fund contributions, or local advertising expenditures that a franchisee pays.

⁴ Revenue from Stylist includes chair rental and commissions from Stylist.

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 Kurt Landwehr at 7472 Kimberly Court North, Maple Grove, Minnesota, 55311, or (763) 350-9353, 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 2023 to 2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	0	0	0
	2024	0	0	0
	2025	0	1	+1
Company – Owned	2023	2	1	-1
	2024	1	1	0
	2025	1	1	0
Total Outlets	2023	2	1	-1
	2024	1	1	0
	2025	1	2	+1

Table No. 2
Transfers of Outlets From Franchisees to New Owners (Other than the Franchisor)
For Years 2023 to 2025

State	Year	Number of Transfers
None	2023	0
	2024	0
	2025	0
Total	2023	0
	2024	0