PROVISION	SECTION IN DEVELOPMENT AGREEMENT	SUMMARY
u. Dispute resolution by arbitration or mediation	§§16(b) and 16(c)	Subject to the requirement to mediate certain disputes, we and you must arbitrate all disputes in the city where our then current principal business address is located (currently, Dallas, Texas)
v. Choice of forum	§16(e)	Subject to mediation and arbitration requirements, litigation generally must be in the state or federal court of competent jurisdiction located closest to our then current principal business address (currently, Dallas, Texas) (subject to state law)
w. Choice of law	§16(a)	Except as otherwise required by applicable state law, Texas law shall govern.

ITEM 18
PUBLIC FIGURES

We do not employ any public figure or celebrity in our management, nor do we use a public figure or celebrity to promote our franchises.

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.

We do not make any representations about a franchisee's future financial performance or, except as set forth in this Item 19, 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. Actual sales and profits, if any, are a unique combination of the business itself and its particular location, competition and management's ability. The results of this combination cannot be predicted in advance, and we specifically decline to issue any projected or pro forma results for any particular franchisee or franchised location.

Chart One includes historical information for all Salons that have met the following conditions ("**Conditions**"): (a) operated for all of January 1, 2025 thru December 31, 2025; ("**Reporting**

Period"); (b) have been operated by franchisees for the entire Reporting Period; and (c) have operated from the same premises during the entire Reporting Period. As of the end of the Reporting Period (December 31, 2025), there are nine franchisee owned Salons. Five (55.55%) of the opened Salons met all the Conditions and are included in the chart. There are no corporate owned or affiliate owned Salons included in Chart One.

Chart Two includes historical information for all Salons that have met the following conditions ("**Conditions**"): (a) for 2025, operated for all of January 1, 2025 thru December 31, 2025; ("**2025 Reporting Period**"); (b) for 2024, operated for all of January 1, 2024 thru December 31, 2024; ("**2024 Reporting Period**"); for 2023, operated for all of January 1, 2023 thru December 31, 2023; ("**2023 Reporting Period**"); (c) for 2022, operated for all of January 1, 2022 thru December 31, 2022; ("**2022 Reporting Period**"); (d) have been operated by franchisees for the entire applicable Reporting Period; and (e) have operated from the same premises during the entire applicable Reporting Period. There are no corporate owned or affiliate owned Salons included in Chart One or Chart Two.

CHART ONE

NET EBITDA

	Location A	**Location B**	**Location C**	**Location D**	**Location E**
Cash Revenue	$917,444	$1,287,517	$1,397,718	$1,116,821	$701,093
Product Related COGS/Merchant Fees	$64,182	$66,458	$127,384	$104,831	$67,093
Salary/Benefits	$476,590	$740,248	$590,397	$505,560	$296,795
Rent	$80,828	$69,399	$112,800	$116,921	$94,026
Occupancy	$18,847	$28,485	$20,034	$29,444	$19,251
Adjusted Gross EBITDA	$276,997	$382,927	$547,103	$360,065	$223,928
Percentage of Cash Revenue	30%	30%	39%	32%	32%
Franchise Costs					
Royalties (6%)	$55,047	$77,251	$83,863	$67,009	$42,066
NAF (2%)	$18,349	$25,750	$27,954	$22,336	$14,022
Local Advertising Expense (3%)	$27,523	$38,626	$41,932	$33,505	$21,033
Technology Fee and POS System License Fee	$9,000	$9,000	$9,000	$9,000	$9,000
Total	$109,919	$150,627	$162,749	$131,850	$86,120

	Location A	Location B	Location C	Location D	Location E
Franchise Adjusted Net EBITDA	$167,078	$232,300	$384,354	$228,214	$137,808
Percentage of Cash Revenue	18%	18%	27%	20%	20%

Explanatory Notes:

1. Cash Revenue. Cash revenue is revenue from services and products less discounts, sales tax, tips, returns, and refunds. It includes chargebacks.

2. Franchise Costs. The franchise costs are based on the royalty rates, NAF and LAF set out in Item 6 and Item 11, which You will be required to pay under the Franchise Agreement. Not all of the franchisees included in this Item 19 pay all of the Franchise Costs at the same rates set out in this Item 19.

3. Franchise Adjusted Net EBITDA. Franchise Adjusted Net EBITDA is calculated by subtracting from cash revenues the COGS, merchant fees, salary/benefits, rent, occupancy costs and franchise costs. It excludes discretionary expenses, owners' compensation, and interest.

CHART TWO

Average and Median Gross Sales

	Year			
	2025	**2024**	**2023**	**2022**
Average Gross Sales	$1,084,118	$970,478	$942,385	$917,281
Median Gross Sales	$1,116,821	$955,972	$899,559	$868,818
Highest Unit Gross Sales	$1,397,718	$1,324,367	$1,270,874	$1,254,295
Lowest Unit Gross Sales	$701,093	$623,451	$632,861	$651,519
Number of Units	5	6	6	6
Number of Units That Attained or Exceeded The Averages Set Forth Above	3 (60%)	3 (50%)	3 (50%)	3 (50%)
Number of Units That Attained or Exceeded The Median Set Forth Above	3 (60%)	3 (50%)	3 (50%)	3 (50%)

Explanatory Notes:

1. The information in this Chart Two is based on unaudited gross sales per franchised unit that met all of the Conditions for the applicable Reporting Period.

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

Written substantiation for the financial performance representations in Item 19 is available to you upon reasonable request. We strongly encourage you to consult a financial advisor or an accountant to help you determine how to interpret the information contained in this Item 19.

Other than the preceding financial performance representation, KLPS, 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 Jeff Helfgott at 5473 Blair Road, Ste 100, #907083, Dallas, Texas 75231-4227, partners@boardroomsalon.com, or (817) 416-7575, 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 2023-2025

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised	2023	6	6	0
	2024	6	6	0
	2025	6	9	+3
Company-Owned (Affiliate)	2023	39	40	+1
	2024	40	40	0
	2025	40	35	-5
Total Outlets	**2023**	**45**	**46**	**+1**
	2024	**46**	**46**	**0**
	2025	**46**	**44**	**-2**

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)
For years 2023-2025

State	Year	Number of Transfers
All States	2023	0
	2024	0
	2025	0
Total	**2023**	**0**
	2024	**0**
	2025	**0**