

PROVISION	SECTION IN AGREEMENT	SUMMARY
u. Dispute resolution by arbitration or mediation	Section 13 in Area Development Agreement.	Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be mediated at our then-current headquarters. Subject to state law.
	Section 22 & 23 in Franchise Agreement.	Except for actions brought by us for monies owed, injunctive or extraordinary relief, or actions involving real estate, all disputes must be mediated at our then-current headquarters. Subject to state law.
v. Choice of forum	Section 15 in Area Development Agreement.	Litigation must be in the State of Kansas (subject to state law).
	Section 23 in Franchise Agreement.	Litigation must be in the State of Kansas (subject to state law).
w. Choice of law	Section 9 in Area Development Agreement. Section 23 in Franchise Agreement.	Subject to state law, Kansas law applies.

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**ITEM 18**  
**PUBLIC FIGURES**

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We do not use any public figure to promote our franchise.

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**ITEM 19**  
**FINANCIAL PERFORMANCE REPRESENTATIONS**

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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 that 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.

Other than the information provided below, we do not furnish or provide prospective franchisees any oral or written information concerning the actual or potential revenue, costs, income or profits of any Scissors & Scotch Barbershops.

The following Scissors & Scotch Barbershops (the “**Operating Locations**”), listed in chronological order by opening month, were open and operating during the entire period between January 1, 2022, and December 31, 2022 (the “**Reporting Period**”).

Shop	Location	Opening Month	Shop	Location	Opening Month
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1	Omaha, NE	March 2015	10	The Colony, TX	May 2020
2	Des Moines, IA <sup>1</sup>	May 2016	11	Brentwood, TN	August 2020
3	Denver, CO <sup>2</sup>	October 2016	12	Washington, DC	March 2021
4	Oklahoma City, OK <sup>3</sup>	August 2017	13	Omaha, NE	May 2021
5	Overland Park, KS	November 2018	14	Washington, DC	August 2021
6	Olathe, KS	January 2019	15	Prairie Village, KS	July 2021
7	Ankeny, IA <sup>2</sup>	July 2019	16	Parker, CO	September 2021
8	Dallas, TX	September 2019	17	Arlington, VA	November 2021
9	Austin, TX	February 2020			

**Table 1** to this Item 19 shows the total annual Gross Sales, total annual Appointments, and Gross Sales Per Appointment for the Operating Locations during the Reporting Period.

**Table 2** to this Item 19 shows the Average Daily Appointments and Average Monthly Appointments, by month of maturity, across all Barbershops—including the Operating Locations and seven additional Barbershops that were not operating during the entire Reporting Period (the “**Emerging Locations**”). As a clarifying example, the “Month 3” Average Monthly Appointments total indicates the number of appointments that a Barbershop performed, on average, during its third month of operations.

**Table 1 – Total Gross Sales and Appointments**

Barbershop Location	2022 Gross Sales	2022 Appointments	Gross Sales Per Appt.
Denver, CO <sup>3</sup>	\$2,037,881	37,057	\$54.99
Overland Park, KS <sup>4</sup>	\$1,756,070	32,484	\$54.06
Oklahoma City, OK	\$1,707,437	30,872	\$55.31
Omaha, NE	\$1,524,071	30,986	\$49.19
Olathe, KS	\$1,356,930	25,425	\$53.37
Austin, TX	\$1,192,404	22,979	\$51.89
Dallas, TX	\$1,184,048	21,624	\$54.76
Des Moines, IA	\$1,179,745	23,341	\$50.54
Washington, DC	\$879,777	14,989	\$58.69
Washington, DC	\$801,991	14,239	\$56.32
Brentwood, TN	\$800,803	15,200	\$52.68
Prairie Village, KS	\$749,916	15,374	\$48.78
Ankeny, IA	\$731,113	15,463	\$47.28
The Colony, TX <sup>4</sup>	\$723,686	12,948	\$55.89
Parker, CO	\$651,608	11,542	\$56.46
Arlington, VA	\$630,937	10,384	\$60.76
Omaha, NE	\$419,307	9,223	\$45.46
<b>High:</b>	\$2,037,881	37,057	\$60.76
<b>Median:</b>	\$879,777	15,463	\$54.06
<b>Low:</b>	\$419,307	9,223	\$45.46

<sup>1</sup> The Des Moines and Ankeny Barbershops were franchise locations until December 19th, 2021, when our affiliate purchased both to be operated by us as company-owned locations.

<sup>2</sup> The Denver and Oklahoma City Barbershops are operated by us as company-owned locations and used as a test location for new products, services and processes.

<sup>3</sup> Three of our Barbershops—Denver, CO; Overland Park, KS; and The Colony, TX—have more than twelve barber chairs. The remainder of the Reporting Shops follow our standard layout and operations with twelve or fewer barber chairs.

As noted in Table 1, Gross Sales Per Appointment range from a low of \$45.46 to a high of \$60.76. In our experience, the Gross Sales Per Appointment for a particular Barbershop has a direct correlation to the retail price charged by that Barbershop for our most common haircut service, the “**The Ten Year**”. We use the term “Price Multiple” to identify the relationship between the Gross Sales Per Appointment and the retail price of the Ten Year for a particular Barbershop. During the Reporting Period, the median Price Multiple for all Operating Locations was 1.15<sup>4</sup>, which means that the Gross Sales Per Appointment for a particular Barbershop was likely to be equal to approximately 1.15 multiplied by the retail price for the Ten Year for that Barbershop. For example, if the retail price for the Ten Year for a particular Barbershop equals \$48.00, it was likely that the Gross Sales Per Appointment for that Barbershop was approximately \$55.20.

**Table 2 – Average Daily and Monthly Appointments<sup>5</sup>**

<b>During Month<sup>6</sup>:</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>
Avg. Daily Appts:	20	23	25	27	30	31
Median Daily Appts:	19	23	24	25	28	29
Avg. Monthly Appts:	594	694	761	829	899	956
Median Monthly Appts:	578	700	731	761	852	883
	<b>7</b>	<b>8</b>	<b>9</b>	<b>10</b>	<b>11</b>	<b>12</b>
Avg. Daily Appts:	34	37	39	43	45	50
Median Daily Appts:	33	34	38	42	42	48
Avg. Monthly Appts:	1,044	1,113	1,196	1,302	1,365	1,511
Median Monthly Appts:	1,004	1,035	1,157	1,278	1,279	1,461

<b>During Year Two<sup>7</sup> (Months 13 – 24)</b>	<b>Year Three and Later<sup>8</sup> (Months 25+)</b>	
Avg. Daily Appts:	55	Avg. Daily Appts:
Median Daily Appts:	51	Median Daily Appts:
Avg. Monthly Appts:	1,674	Avg. Monthly Appts:
Median Monthly Appts:	1,552	Median Monthly Appts:

All financial information in the tables was prepared using unaudited internal sales and expense records, but we believe them to be substantially correct.

<sup>4</sup> In order to determine the median Price Multiple of 1.15 for the Reporting Period, we used the Gross Sales Per Appointment and retail price for the Ten Year for all of our Operating Locations during the Reporting Period. The average Price Multiple was equal to 1.15 and the range of Price Multiples was between 1.05 and 1.27.

<sup>5</sup> “**Average Daily Appointments**” is calculated as the average number of appointments, per day, per Barbershop, of all Barbershops—including both the Operating Locations and Emerging Locations—in a respective month of maturity. For example, the Average Daily Appointments total in “Month 1” represents how many appointments an average Barbershop performed, per day, during its first month of operations. “**Average Monthly Appointments**” is calculated as the average number of appointments, per month, per Barbershop, of all Barbershops in a respective month of maturity. For example, the Average Monthly Appointments total in “Month 1” represents how many appointments an average Barbershop performed during its first month of operations. A Barbershop’s Average Monthly Appointments total is affected by how many days it is able to operate during a calendar month. For example, a Barbershop generally has fewer available days to operate in February than in January. This may affect your forecasts for your Franchised Business.

<sup>6</sup> Performance totals for months 1 through 12 are separated by month. The Average Monthly Appointments total during “Month 3”, for example, represents the average number of appointments a Barbershop performed during its third month of operations. Each total is based on the performance of all Barbershops during their respective month of operations.

<sup>7</sup> Performance totals for months 13 through 24 are condensed into an annual average for Year Two. The Average Monthly Appointments total during “Year Two”, for example, represents the average number of appointments a Barbershop performed, per month, during its second year of operations. Each total is based on the performance of all Barbershops during their second year of operations.

<sup>8</sup> Performance totals for month 25 and beyond are also condensed. The Average Monthly Appointments total for “Year Three and Later”, for example, represents the average number of appointments a Barbershop performed, per month, during its third year of operations and after. Each total is based on the performance of all Barbershops during their third and subsequent years of operations.

**Some Barbershops have sold and earned this much. Your individual results may differ.  
There is no assurance that you will achieve these results.**

Written substantiation of the data presented in the preceding tables will be made available to you upon reasonable request.

Other than the preceding financial performance representation, we do 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 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 Sean Finley at (913) 981-8004, the Federal Trade Commission and the appropriate state.

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**ITEM 20**  
**OUTLETS AND FRANCHISEE INFORMATION**

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**Table No. 1**  
Systemwide Outlet Summary<sup>1</sup>  
For years 2020 to 2022

Column 1 Outlet Type	Column 2 Year	Column 3 Outlets at the Start of the Year	Column 4 Outlets at the End of the Year	Column 5 Net Change
Franchised	2020	7	9	+2
	2021	9	13	+4
	2022	13	21	+8
Company-owned <sup>2</sup>	2020	2	2	-
	2021	2	4	+2
	2022	4	4	-
<b>Total Outlets</b>	2020	9	11	+2
	2021	11	17	+6
	2022	17	24	+7

<sup>1</sup> Zero outlets were permanently closed due to COVID-19. All outlets were temporarily closed for varying durations due to local government orders, but each is considered an operating outlet for purposes of this table.

<sup>2</sup> Company-owned outlets refer to outlets owned by Company's affiliates.

**Table No. 2**  
Transfers of Outlets from Franchisees to  
New Owners (other than Franchisor)  
For years 2020 to 2022

Column 1 State	Column 2 Year	Column 3 Number of Transfers
Nebraska	2021	2