

PROVISION	SECTION IN FRANCHISE AGREEMENT/MUDA	SUMMARY
		relationship with us or any of our franchisees.
s. Modification of the Franchise Agreement	FA: Sections 9.2, 22.7, 22.8 MUDA: Not applicable	The Franchise Agreement can be modified only by written agreement between you and us. We may modify the Manual without your consent if the modification does not materially alter your fundamental rights.
t. Integration/Merger Clause	FA: Section 22.7 MUDA: Section 18	Only the terms of the Franchise Agreement and MUDA are binding (subject to state law). Any representations or promises outside of the Disclosure Document, MUDA and/or Franchise Agreement are not enforceable.
u. Dispute Resolution by Arbitration or Mediation	FA: Section 23.9 MUDA: Section 19	You must mediate and arbitrate claims against us.
v. Choice of Forum	FA: Section 23.2 MUDA: Section 18	Any litigation or arbitration must be pursued in Palm Beach County, Florida (subject to applicable state law).
w. Choice of Law	FA: Section 23.1 MUDA: Section 18	Except as to claims governed by federal law, Florida law applies (subject to applicable state law).

ITEM 18 PUBLIC FIGURES

We do not 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 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 franchised business or under particular circumstances.

Overview

The first franchised Scenter opened on December 14, 2020. As of December 31, 2023, there are 71 operating franchised Scenters. 71 of the 71 Scenters were open for a full 12 months ending December 31, 2024 and have a reporting period from January 1, 2024 to December 31, 2024 (the “**Reporting Period**”).

For these franchised Scenters, we have provided two main categories of financial performance representations (“**FPR**”): Revenue FPR and Operating Income FPR, as defined below. Because Scenthound is a membership-based business, the Revenue FPR includes information on membership counts and member contributions to revenue. The criteria for inclusion of a location (a “**Qualifying Scenter**”) in the following tables of information are as follows:

- (1) 2024 Gross Revenue and Membership Counts (the “**Revenue FPR**”):
 - a. Qualifying Scenter must be open and operating continuously during the full Reporting Period
 - b. Qualifying Scenter must have been open and operating continuously for the full Reporting Period
 - c. 71 of 71 Qualifying Scenters reported:
 - i. Table 1: 2024 Gross Revenue by Quartile
 - ii. Table 2: 2024 Gross Revenue by Age Cohort
 - iii. Table 3: Membership Counts as of December 31, 2024 by Quartile
 - iv. Table 4: Membership Counts as of December 31, 2024 by Age Cohort
 - v. Table 5: Membership Counts by Quartile for First 12 Months after Opening
 - vi. Table 6: Sources of Gross Revenue
 - vii. Table 7: Sources of Gross Revenue by Quartile
 - d. See Note 1 for definitions of terms.
- (2) 2024 Net Operating Income (the “**Operating Income FPR**”):
 - a. Qualifying Scenter must have opened prior to January 1, 2024
 - b. Qualifying Scenter must have been open and operating continuously for the full Reporting Period
 - c. 36 of 71 Qualifying Scenters reported:
 - i. Table 8: 2024 Net Operating Income Dollars by Quartile
 - ii. Table 9: 2024 Net Operating Income % of Gross Revenue by Quartile
 - iii. Table 10: 2024 Net Operating Income Dollars
 - iv. Table 11: 2024 Net Operating Income % of Gross Revenue
 - d. See Note 2 for definitions of terms.

Table 1: 2024 Gross Revenue by Quartile

71 of 71 Qualifying Sccenters Reported	Top Quartile	Top-Middle	Bottom-Middle	Bottom Quartile	All
Sccenters with 2023 Openings	\$595,812	\$414,107	\$299,030	\$213,656	\$378,445
Sccenters with 2022 Openings	\$783,746	\$565,816	\$446,536	\$341,630	\$540,292
Sccenters with 2021 and Prior Openings	\$740,802	\$528,603	\$459,612	\$348,008	\$576,339
All Qualifying Sccenters	\$690,195	\$488,968	\$376,733	\$243,403	\$452,732
Count of Qualifying Sccenters					
Sccenters with 2023 Openings	9	9	10	9	37
Sccenters with 2022 Openings	4	4	3	4	15
Sccenters with 2021 and Prior Openings	5	5	5	4	19
All Qualifying Sccenters	18	18	18	17	71

Table 2: 2024 Gross Revenue by Age Cohort

71 of 71 Qualifying Sccenters Reported	Maximum Gross Revenue	Minimum Gross Revenue	Median Gross Revenue	Average Gross Revenue	Number of Sccenters	% Above Average	% Below Average
Sccenters with 2023 Openings	\$833,258	\$190,696	\$356,720	\$378,445	37	46%	54%
Sccenters with 2022 Openings	\$924,222	\$254,353	\$508,484	\$540,292	15	53%	47%
Sccenters with 2021 and Prior Openings	\$885,123	\$431,784	\$523,481	\$576,339	19	47%	53%
All Qualifying Sccenters	\$924,222	\$190,696	\$434,641	\$452,732	71	48%	52%

Table 3: Membership Counts as of December 31, 2024 by Quartile

71 of 71 Qualifying Sccenters Reported	Top Quartile	Top-Middle	Bottom-Middle	Bottom Quartile	All
Sccenters with 2023 Openings	612	450	349	261	416
Sccenters with 2022 Openings	796	566	496	368	560
Sccenters with 2021 and Prior Openings	728	728	463	373	577

All Qualifying Sccenters	694	513	408	288	478
Count of Qualifying Sccenters					
Sccenters with 2023 Openings	9	9	10	9	37
Sccenters with 2022 Openings	4	4	3	4	15
Sccenters with 2021 and Prior Openings	5	5	5	4	19
All Qualifying Sccenters	18	18	18	17	71

Table 4: Membership Counts as of December 31, 2024 by Age Cohort

71 of 71 Qualifying Sccenters Reported	Maximum Membership Count	Minimum Membership Count	Median Membership Count	Average Membership Count	Number of Sccenters	% Above Average	% Below Average
Sccenters with 2023 Openings	813	226	398	416	37	35%	65%
Sccenters with 2022 Openings	950	271	508	560	15	53%	47%
Sccenters with 2021 and Prior Openings	854	440	522	577	19	47%	53%
All Qualifying Sccenters	950	226	457	478	71	42%	58%

Table 5: Membership Counts by Quartile for First 12 Months after Opening

71 of 71 Qualifying Sccenters Reported	Top Quartile	Top-Middle	Bottom-Middle	Bottom Quartile	Average	% Above Average/ % Below Average
Count of Qualifying Sccenters	18	18	18	17	71	
Month 1	332	248	201	179	241	37%

						63%
Month 2	385	289	233	206	279	41% 59%
Month 3	441	323	262	224	314	45% 55%
Month 4	484	349	289	240	342	46% 54%
Month 5	525	377	310	252	368	45% 55%
Month 6	553	393	321	263	384	42% 58%
Month 7	576	406	336	272	399	41% 59%
Month 8	597	424	345	284	414	44% 56%
Month 9	621	439	358	288	428	42% 58%
Month 10	628	453	367	289	436	41% 59%
Month 11	635	459	374	290	442	41% 59%
Month 12	651	465	383	290	450	42% 58%

Table 6: Sources of Gross Revenue				
71 of 71 Qualifying Scenthounds Reported	Maximum	Average	Median	Minimum
Member Count	950	478	457	226
Gross Revenue	\$924,222	\$452,732	\$434,641	\$190,696
Membership Fees	\$451,625	\$232,520	\$224,679	\$106,599
% of Gross Revenue from Membership Fees	49%	51%	52%	56%
Other Revenue from Members	\$370,982	\$145,097	\$130,976	\$63,841
Total Revenue from Members	\$822,607	\$377,618	\$355,926	\$170,440
% of Revenue from Members	89%	83%	82%	89%
Revenue from Non-Members	\$101,615	\$75,114	\$76,618	\$20,257
% of Revenue from Non-Members	11%	17%	18%	11%

Table 7: Sources of Gross Revenue by Quartile				
71 of 71 Qualifying Scenters Reported	Top Quartile	Top-Middle	Bottom-Middle	Bottom Quartile
Member Count	677	503	424	299
Gross Revenue	\$690,195	\$488,968	\$376,733	\$243,403
Membership Fees	\$352,191	\$247,283	\$191,434	\$133,683
% of Gross Revenue from Membership Fees	51%	51%	51%	55%
Other Revenue from Members	\$233,155	\$156,413	\$115,803	\$70,865
Total Revenue from Members	\$585,345	\$403,696	\$307,266	\$204,548
% of Revenue from Members	85%	83%	82%	84%
Revenue from Non-Members	\$104,850	\$85,271	\$69,467	\$38,855
% of Revenue from Non-Members	15%	17%	18%	16%

Table 8 – 2024 Net Operating Income Dollars by Quartile					
	Top Quartile	Top-Middle	Bottom-Middle	Bottom Quartile	All
36 of 71 Qualifying Scenters Reported	9	9	9	9	36
Gross Revenue	\$750,478	\$535,474	\$469,543	\$368,590	\$531,022
Expenses:					
Payroll, Taxes & Benefits	\$314,096	\$230,703	\$227,717	\$189,799	\$240,579
Rent	\$45,334	\$55,542	\$58,190	\$66,013	\$56,270
Other Occupancy Expenses	\$15,466	\$17,266	\$12,362	\$9,959	\$13,763
Royalty Fees	\$45,029	\$32,128	\$28,173	\$22,115	\$31,861
Technology Fees	\$8,000	\$8,100	\$8,100	\$8,100	\$8,075
Brand Fund Contributions	\$7,505	\$5,355	\$4,894	\$3,686	\$5,360
Local Advertising	\$23,031	\$24,247	\$30,966	\$38,058	\$29,076
Other Operating Expenses	\$72,326	\$61,347	\$54,727	\$50,595	\$59,749
Net Operating Income	\$219,675	\$100,775	\$44,407	(\$19,742)	\$86,279

Table 9 – 2024 Net Operating Income % of Gross Revenue by Quartile					
	Top Quartile	Top-Middle	Bottom-Middle	Bottom Quartile	All
36 of 71 Qualifying Scenters Reported	9	9	9	9	36
Gross Revenue	100%	100%	100%	100%	100%
Expenses:					
Payroll, Taxes & Benefits	41.80%	43.00%	48.40%	51.40%	45.30%
Rent	6.10%	10.40%	12.40%	18.00%	10.60%

Other Occupancy Expenses	2.10%	3.30%	2.70%	2.80%	2.60%
Royalty Fees	6.00%	6.00%	6.00%	6.00%	6.00%
Technology Fees	1.00%	1.50%	1.70%	2.10%	1.50%
Brand Fund Contributions	1.00%	1.00%	1.10%	1.00%	1.10%
Local Advertising	3.00%	4.50%	6.50%	10.30%	5.40%
Other Operating Expenses	9.60%	11.40%	11.60%	13.70%	11.20%
Net Operating Income	29.20%	18.80%	9.40%	-5.30%	16.20%

Table 10 – 2024 Net Operating Income Dollars				
36 of 71 Qualifying Scenters Reported	Maximum	Average	Median	Minimum
Gross Revenue	\$924,222	\$531,022	\$499,704	\$295,992
Expenses:				
Payroll, Taxes & Benefits	\$394,111	\$240,579	\$199,455	\$173,096
Rent	\$43,182	\$56,270	\$67,609	\$59,268
Other Occupancy Expenses	\$18,096	\$13,763	\$27,183	\$10,953
Royalty Fees	\$55,453	\$31,861	\$29,982	\$17,760
Technology Fee	\$8,100	\$8,075	\$8,100	\$8,100
Brand Fund Contributions	\$9,242	\$5,360	\$4,997	\$2,960
Local Advertising	\$46,419	\$29,076	\$28,676	\$35,449
Other Operating Expenses	\$72,794	\$59,749	\$61,133	\$52,213
Net Operating Income	\$276,804	\$86,279	\$72,569	(\$63,812)

Table 11 – 2024 Net Operating Income % of Gross Revenue				
36 of 71 Qualifying Scenters Reported	Maximum	Average	Median	Minimum
Gross Revenue	100%	100%	100%	100%
Expenses:				
Payroll, Taxes & Benefits	42.60%	45.30%	39.90%	58.40%
Rent	4.60%	10.50%	13.50%	20.00%
Other Occupancy Expenses	1.90%	2.50%	5.40%	3.70%
Royalty Fees	6.00%	6.00%	6.00%	6.00%
Technology Fees	0.80%	1.50%	1.60%	2.70%
Brand Fund Contributions	1.00%	1.00%	1.00%	1.00%
Local Advertising	5.00%	5.40%	5.70%	11.90%
Other Operating Expenses	7.80%	11.20%	12.20%	17.60%
Net Operating Income	29.90%	16.20%	14.50%	-21.50%

Some Scenters have earned this amount. Your individual results may differ. There is no assurance that you'll earn as much.

NOTES

1. **“Gross Revenue”** in this Item 19 and in this Disclosure Document is defined as all sales, revenues, charges and receipts from whatever source (whether in the form of cash, check, credit or debit card, barter exchange, trade credit or other credit transactions) that arise, directly or indirectly, from the operation of or in connection with a Scenter. Gross Revenue includes all revenues earned from products and services offered at a Scenter, space in a Scenter leased to subcontractors (if approved by us), usage income, and insurance proceeds received in the event of a loss or interruption of business due to a casualty or similar event at your Scenter. Gross Revenue excludes sales taxes collected from customers and paid to the appropriate taxing authority, tips or gratuities provided to employees and any other bona fide refunds to customers.
2. Defined terms in **Revenue FPR** tables:
 - a. **“Membership Counts”** include any current member (a single canine) as of December 31, 2024 whose membership has not been cancelled either by choice of the dog parent or by the Qualifying Scenter due to failed payment.
 - b. **“Membership Fees”** are a source of Gross Revenue representing a recurring monthly amount determined by the level of services selected at the time of enrollment. There are several tiers of monthly membership programs but minimally include bath with towel-dry, ear cleaning, nail trimming, teeth brushing, and a 6-point wellness check.
 - c. **“Other Revenue from Members”** are sources of Gross Revenue from member’s add-on services such as de-shedding treatments, haircuts, plaque cleanses, etc., as well as from retail product sales and miscellaneous fees.
 - d. **“Revenue from Non-Members”** are sources of Gross Revenue from customers who have not joined a membership program. This revenue is from services similar to those provided by the Monthly Membership Fees and Other Revenue from Members but at higher prices on a single-transaction basis.
3. Defined terms in **Operating Income FPR** tables:
 - a. **“Payroll, Taxes, and Benefits”** includes payroll, payroll taxes, benefits, and independent contractor costs. Amounts were increased for circumstances such as franchise owners performing significant work on behalf of the Qualifying Scenter not accounted for in Payroll or other expense line items. Amounts were decreased to account for circumstances such as franchisees either paying themselves or their managers above-market manager rates or for adding new managers to existing locations in advance of subsequent Scenter openings. Adjusted Payroll assumes a manager salary between \$45,000 and \$60,000 depending on market conditions.
 - b. **“Rent”** is the cost for space paid to the landlord under terms of the lease for the Qualifying Scenters.
 - c. **“Other Occupancy Expenses”** include utilities, repair and maintenance costs, and business insurance for the Qualifying Scenters.
 - d. **“Royalty Fees”, “Technology Fees”, and “Brand Fund Contributions”** represent actual amounts paid by the Qualifying Scenters to us in 2024.

- e. **“Local Advertising”** includes digital and non-digital marketing expenses including agency fees to promote the local Scenthound franchise.
- f. **“Other Operating Expenses”** include credit/debit card processing fees (generally ranging between 2.7% and 3.1% of Gross Revenue), grooming supplies needed to support sales (generally ranging between 2.1% and 2.9% of Gross Revenue), and other items such as recruiting expenses, uniforms, office and cleaning supplies, and other necessary expenditures to conduct business.
- g. Expenses of the Qualifying Scenters exclude Depreciation & Amortization, Interest Expense, expenses related to more than one Scenter owned by a single franchisee, as well as extraordinary expenses that are not standard in the operation of a Scenter such as 401(k) contributions, automobile expenses, charitable contributions (that are non-marketing expenses) and other non-business-related expenses such as meals and entertainment.

Other than the preceding financial performance representation, Scenthound Franchising 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 Timothy Vogel, 1070 E. Indiantown Road, Suite #300, Jupiter, Florida 33477, and (561) 288-3997, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

TABLE 1
SYSTEMWIDE OUTLET SUMMARY
FOR YEARS 2022 TO 2024

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	2022	18	34	+16
	2023	34	71	+37
	2024	71	117	+46
Company-Owned	2022	5	5	0
	2023	5	5	0
	2024	5	5	0