

Provision	Section in Franchise Agreement	Summary
r. Non-competition covenants after the franchise is terminated or expires	Section 18.3	Owners may not have an interest in, own, manage, operate, finance, control or participate in any competitive business within (i) a five-mile radius of the Snip-its Salon Business premises; and (ii) a five-mile radius from all other Snip-its Salon Businesses in operation or under construction, for two years. If you or your Operating Partner engages in any activities prohibited by the Franchise Agreement during the restricted period, then the restricted period applicable to you or the non-compliant Operating Partner shall be extended by the period of time during which you or the non-compliant Operating Partner, as applicable, engaged in the prohibited activities.
s. Modification of agreement	Sections 9.1 and 30.9	No modifications of the Franchise Agreement during the term unless agreed to in writing, but the Confidential Operating Manual is subject to change at any time in our discretion. Modifications are permitted on renewal.
t. Integration/merger clause	Section 30.9	Only the terms of the Franchise Agreement and other related written agreements are binding (subject to applicable state law). Any representations or promises outside of this Franchise Disclosure Document and Franchise Agreement may not be enforceable.
u. Dispute resolution by arbitration or mediation	Section 28	Except for certain claims, all disputes must be mediated and litigated in the principal city closest to our principal place of business (currently Burnsville, Minnesota), subject to applicable state law.
v. Choice of forum	Section 28.4	All disputes must be mediated, litigated, and if applicable, arbitrated in the principal city closest to our principal place of business (currently Burnsville, Minnesota), subject to applicable state law.
w. Choice of law	Section 30.1	The law of the state where your Snip-its Salon Business is located applies, subject to applicable state law.

## **ITEM 18 PUBLIC FIGURES**

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

## **ITEM 19 FINANCIAL PERFORMANCE REPRESENTATION**

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.

As of December 31, 2024, there were 40 franchised Snip-its Salon Businesses (“Franchised Outlets”) and no company-owned outlets. This Item 19 provides financial data from these 40 Franchised Outlets (“Systemwide Reporting Group”). We also include additional financial data from a subset of 29 Franchised Outlets that submitted complete financial statements detailing the costs, expenses, and earnings of their Franchised Outlets in 2024 (“Primary Reporting Group.”) We exclude the following Franchised Locations from the Primary Reporting Group: (i) three Franchised Locations that transferred ownership in 2024; (ii) one Franchised Location that opened in 2024; and (iii) seven Franchised Locations that did not submit full financial statements for 2024.

For both the Systemwide Reporting Group and Primary Reporting Group, we divide the data reported by the Franchised Locations into four quartiles based on their performance. Table 1’s quartiles are based on the level of Gross Sales (defined below) achieved by the Franchised Locations in the Systemwide Reporting Group. Table 2 includes information on the EBITDA of the Primary Reporting Group. Table 2’s quartiles are based on the level of EBITDA achieved by the Franchised Locations in the Primary Reporting Group.

**Table 1**  
**Systemwide Reporting Group (40 Franchisees)**  
**2024 Gross Sales**

Quartiles	Average Gross Sales	Median Gross Sales	Range Gross Sales		Number of Franchisees that Met or Exceeded the Average	Percentage of Franchisees that Met or Exceeded the Average
			Low	High		
First Quartile (10 franchisees)	\$397,258	\$400,263	\$316,140	\$451,725	5	50%
Second Quartile (10 franchisees)	\$285,605	\$285,539	\$257,541	\$314,856	5	50%
Third Quartile (10 franchisees)	\$231,305	\$235,837	\$212,405	\$244,064	6	60%
Fourth Quartile (10 franchisees)	\$169,744	\$174,609	\$86,751	\$204,750	6	60%

#### Notes to Table 1

1. “Gross Sales” means the total of all of your revenues, sales and other income and consideration from the sale of all Snip-its Salon merchandise, products and services to customers whether or not sold or performed at or from the physical location of the Snip-its Salon Business, and whether received in cash, coupon, in services in kind, from barter or exchange, on credit (whether or not payment is

received) or otherwise. Gross Sales includes all proceeds from any business interruption insurance. Gross Sales does not include: (i) the amount of all sales tax receipts or similar tax receipts which, by law, are chargeable to customers, if the taxes are separately stated when the customer is charged and if the taxes are paid to the appropriate taxing authority; and (ii) any documented refunds, chargebacks, credits, charged tips and allowances provided in good faith to customers.

2. The financial performance representations in Table 1 do not reflect the costs of sales, operating expenses, or costs or expenses that must be deducted from the gross revenue or gross sales figures to obtain your net income or profit. You should conduct an independent investigation of the costs and expenses you will incur in operating your franchised business. Franchisees or former franchisees, listed in the Disclosure Document, may be one source of this information.

**Table 2**  
**Primary Reporting Group (29 Franchisees)**  
**2024 EBITDA**

Quartiles	Average EBITDA Sales	Median EBITDA Sales	Range EBITDA Sales		Number of Franchisees that Met or Exceeded the Average	Percentage of Franchisees that Met or Exceeded the Average
			Low	High		
First Quartile (7 franchisees)	\$98,150	\$100,388	\$61,914	\$128,572	4	57%
Second Quartile (7 franchisees)	\$51,455	\$54,519	\$38,223	\$58,198	4	57%
Third Quartile (7 franchisees)	\$29,111	\$32,611	\$15,120	\$34,637	5	71%
Fourth Quartile (8 franchisees)	(\$1,748)	(\$1,072)	(\$23,928)	\$11,947	4	50%

Notes to Table 2

1. Gross Sales has the meaning described in the notes to Table 1.
2. EBITDA refers to earnings before interest, tax, depreciation and amortization. EBITDA is calculated as Gross Sales less costs of services provided and operating expenses.

Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.

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

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 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 our management by contacting Jason Bakker at 211 River Ridge Circle South, Suite 100, Burnsville, Minnesota 55337, telephone (952) 288-2139, the Federal Trade Commission, and the appropriate state regulatory agencies.

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

Table No. 1

Systemwide Outlet Summary  
For Years 2022 - 2024

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2022	46	43	-3
	2023	43	42	-1
	2024	42	40	-2
Company-Owned*	2022	1	0	-1
	2023	0	0	0
	2024	0	0	0
Total Outlets	2022	47	43	-4
	2023	43	42	-1
	2024	42	40	-2

\*Operated by our parent company

Table No. 2

Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)  
For Years 2022 - 2024

State	Year	Number of Transfers
Maryland	2022	0
	2023	1
	2024	0
Ohio	2022	0
	2023	1
	2024	1
Texas	2022	0
	2023	0
	2024	1