

## **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.

As of December 31, 2025, there were (i) 157 franchised Suites, (ii) three (3) corporate Suites, (iii) nineteen (19) franchised Flagships, and (iv) fifteen (15) corporate Flagships in operation.

This Financial Performance Representation sets forth historical financial performance information in connection with (i) 73 franchised Suites, (ii) three (3) corporate Suites, (iii) four (4) franchised Flagships, and (iv) eleven (11) corporate Flagships.

This Financial Performance Representation excludes information in connection with (i) 76 franchised Suites that opened during the 2025 calendar year, (ii) three (3) franchised Suites that reported abnormal expenses that are not indicative of standard operational costs during the 2025 calendar year and otherwise did not report their financial information to us in the correct manner, and (iii) five (5) franchised Suites that transferred owners during the 2025 calendar year where the financial books and records were inconsistent between the old owner and the new owner.

This Financial Performance Representation also excludes information in connection with (i) seven (7) franchised Flagships and three (3) corporate Flagships that opened during the 2025 calendar year, (ii) six (6) franchised Flagships that converted from a suite to a Flagship during the 2025 calendar year, (iii) two (2) franchised Flagships that reported abnormal expenses that are not indicative of standard operational costs during the 2025 calendar year and otherwise did not report their financial information to us in the correct manner, and (iv) one (1) corporate Flagship that operates in a non-traditional location and serves as our training center.

Franchised financial data was extracted directly from franchisee QuickBooks accounts via our data aggregator, which consolidates information based on our standardized chart of accounts, mandatory for all franchisees. Please note that discrepancies in the data may occur due to variations or errors in franchisee bookkeeping practices.

For purposes of this Financial Performance Representation, corporate locations are operated by our affiliates.

Chart 1 of this Item sets forth the average, median, high, and low Net Revenue during the 2025 calendar year for all corporate and franchised flagships, split into flagships open four or more years and flagships that opened in 2023 or 2024.

Chart 2 of this Item sets forth the average Net Revenue minus Certain Expenses during the 2025 calendar year for all corporate and franchised flagships, broken out by the top 25%, middle 50%, and bottom 25% locations based on Net Revenue.

Chart 3 of this Item sets forth the median Net Revenue minus Certain Expenses during the 2025 calendar year for all corporate and franchised flagships, broken out by the top 25%, middle 50%, and bottom 25% locations based on Net Revenue.

Chart 4 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2025 calendar year for all corporate and franchised flagships that have been open for four or more years.

Chart 5 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2025 calendar year for all corporate and franchised flagships that opened in 2023 or 2024.

Chart 6 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2025 calendar year for all corporate flagships that have been open for four or more years.

Chart 7 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2025 calendar year for all corporate flagships.

Chart 8 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2025 calendar year for all franchised flagships.

Chart 9 of this Item sets forth the average, median, high, and low Net Revenue and Net Revenue minus Certain Expenses during the 2025 calendar year for all suites open for one year, two years, three+ years, and four or more years.

Chart 10 of this Item sets forth the average Net Revenue minus Certain Expenses during the 2025 calendar year for all corporate and franchised suites, broken out by the top 25%, middle 50%, and bottom 25% locations based on Net Revenue.

Chart 11 of this Item sets forth the median Net Revenue minus Certain Expenses during the 2025 calendar year for all corporate and franchised suites, broken out by the top 25%, middle 50%, and bottom 25% locations based on Net Revenue.

Chart 12 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2025 calendar year for all corporate and franchised suites open for four or more years

Chart 13 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2025 calendar year for all corporate and franchised suites open for three+ years.

Chart 14 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2025 calendar year for all corporate and franchised suites open for two years.

Chart 15 of this Item sets forth the average, median, high, and low Net Revenue minus Certain Expenses during the 2025 calendar year for all corporate and franchised suites open for one year.

Chart 16 of this Item sets forth the membership conversion rate as well as the average, median, high, and low conversion rate for all franchised and corporate flagships during the 2025 calendar year.

Chart 17 of this Item sets forth the membership conversation rate as well as the average, median, high, and low conversion rate for all corporate flagships during the 2025 calendar year.

Chart 18 of this Item sets forth the membership conversion rate as well as the average, median, high, and low conversion rate for all franchised flagships during the 2025 calendar year.

Chart 19 of this Item sets forth the membership conversion rate as well as the average, median, high, and low conversion rate for all franchised and corporate suites during the 2025 calendar year.

Chart 20 of this Item sets forth the total return on advertising expenditures for all franchised and corporate flagships during the 2025 calendar year.

Chart 21 of this Item sets forth the total return on advertising expenditures for the corporate flagships during the 2025 calendar year.

Chart 22 of this Item sets forth the total return on advertising expenditures for the franchised flagships during the 2025 calendar year.

Chart 23 of this Item sets forth the total return on advertising expenditures for the franchised and corporate suites during the 2025 calendar year.

Written substantiation of the data used in preparing these figures will be made available to you upon reasonable request. The information presented below 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.**

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Charts	Description / Chart Title
1	All Flagship Locations: Overview - Average / Median / High / Low
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**ALL FLAGSHIPS**

# CHART #1

## ALL FLAGSHIP LOCATIONS: OVERVIEW - AVERAGE / MEDIAN / HIGH / LOW

DATA SET	LOCATIONS	2025 NET REVENUE		HIGH REVENUE	LOW REVENUE	ABOVE AVERAGE		BELOW AVERAGE	
		AVERAGE REVENUE	MEDIAN REVENUE						
FLAGSHIPS - OPEN 4+ FULL YEARS	6	\$766,771	\$642,655	\$1,387,504	\$440,748	2 OF 6	33.33%	4 OF 6	66.67%
FLAGSHIPS - OPENED IN 2023 OR 2024	9	\$566,161	\$510,533	\$924,256	\$324,774	3 OF 9	33.33%	6 OF 9	66.67%
ALL FLAGSHIPS	15	\$646,405	\$546,212	\$1,387,504	\$324,774	5 OF 15	33.33%	10 OF 15	66.67%

DATA SET	FLAGSHIPS OPEN 4+ FULL YEARS	FLAGSHIPS OPENED IN 2023 OR 2024	ALL FLAGSHIPS
2025 NET REVENUE	\$766,771	\$566,161	\$646,405
2025 CERTAIN EXPENSES	\$566,944	\$451,305	\$497,561
2025 NET REVENUE MINUS CERTAIN EXPENSES	\$199,827	\$114,856	\$148,845
2025 NET REVENUE MINUS CERTAIN EXPENSES %	26.06%	20.29%	23.03%

## CHART #2

### ALL FLAGSHIP LOCATIONS: TOP 25% / MIDDLE 50% / BOTTOM 25% AVERAGES

	TOP 25% FLAGSHIPS AVERAGE	MIDDLE 50% FLAGSHIPS AVERAGE	BOTTOM 25% FLAGSHIPS AVERAGE	TOTAL FLAGSHIPS AVERAGE	TOP 25% FLAGSHIPS AVERAGE	MIDDLE 50% FLAGSHIPS AVERAGE	BOTTOM 25% FLAGSHIPS AVERAGE	TOTAL FLAGSHIPS AVERAGE
<b>LOCATIONS</b>	4	7	4	15	4	7	4	15

	TOP 25% FLAGSHIPS AVERAGE	MIDDLE 50% FLAGSHIPS AVERAGE	BOTTOM 25% FLAGSHIPS AVERAGE	TOTAL FLAGSHIPS AVERAGE	TOP 25% FLAGSHIPS AVERAGE	MIDDLE 50% FLAGSHIPS AVERAGE	BOTTOM 25% FLAGSHIPS AVERAGE	TOTAL FLAGSHIPS AVERAGE
<b>NET REVENUE</b>	<b>\$1,055,360</b>	<b>\$564,235</b>	<b>\$381,248</b>	<b>\$646,405</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
ESTHETICIAN WAGES	\$284,841	\$153,460	\$109,799	\$176,852	27%	27%	29%	27%
RECEPTION	\$56,973	\$31,117	\$22,441	\$35,698	5%	6%	6%	6%
GENERAL MANAGEMENT	\$40,134	\$19,340	\$14,953	\$23,715	4%	3%	4%	4%
SUPPLIES	\$101,411	\$52,133	\$42,328	\$62,659	10%	9%	11%	10%
INVENTORY MANAGEMENT	\$851	\$855	\$172	\$672	0%	0%	0%	0%
AD MANAGEMENT	\$9,883	\$4,645	\$5,033	\$6,146	1%	1%	1%	1%
DIGITAL AD SPEND	\$45,903	\$21,493	\$21,500	\$28,004	4%	4%	6%	4%
LOCAL ADVERTISING	\$14,165	\$3,701	\$1,319	\$5,857	1%	1%	0%	1%
ADMIN OPERATIONS	\$28,433	\$14,467	\$11,240	\$17,331	3%	3%	3%	3%
ROYALTY	\$63,659	\$33,964	\$22,727	\$38,886	6%	6%	6%	6%
HELLO SUGAR REMOTE	\$15,153	\$7,955	\$5,080	\$9,108	1%	1%	1%	1%
TRAINING EXPENSES	\$15,316	\$6,971	\$4,663	\$8,581	1%	1%	1%	1%
TECH FEE	\$762	\$449	\$398	\$519	0%	0%	0%	0%
SOFTWARE EXPENSES	\$11,058	\$7,128	\$6,741	\$8,073	1%	1%	2%	1%
ACCOUNTING + LICENSES	\$2,801	\$1,889	\$1,944	\$2,147	0%	0%	1%	0%
RENT	\$59,447	\$63,342	\$49,126	\$58,512	6%	11%	13%	9%
STORAGE UNIT	\$410	\$0	\$410	\$219	0%	0%	0%	0%
UTILITIES	\$11,655	\$9,209	\$2,496	\$8,071	1%	2%	1%	1%
INSURANCE	\$9,684	\$5,892	\$4,423	\$6,511	1%	1%	1%	1%

	TOP 25% FLAGSHIPS AVERAGE	MIDDLE 50% FLAGSHIPS AVERAGE	BOTTOM 25% FLAGSHIPS AVERAGE	TOTAL FLAGSHIPS AVERAGE	TOP 25% FLAGSHIPS AVERAGE	MIDDLE 50% FLAGSHIPS AVERAGE	BOTTOM 25% FLAGSHIPS AVERAGE	TOTAL FLAGSHIPS AVERAGE
<b>NET REVENUE</b>	<b>\$1,055,360</b>	<b>\$564,235</b>	<b>\$381,248</b>	<b>\$646,405</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>
CERTAIN EXPENSES	\$772,539	\$438,010	\$326,795	\$497,561	73%	78%	86%	77%
<b>NET REVENUE MINUS CERTAIN EXPENSES</b>	<b>\$282,821</b>	<b>\$126,225</b>	<b>\$54,452</b>	<b>\$148,845</b>	<b>26.80%</b>	<b>22.37%</b>	<b>14.28%</b>	<b>23.03%</b>
<b>NET REVENUE MINUS CERTAIN EXPENSES %</b>	<b>26.80%</b>	<b>22.37%</b>	<b>14.28%</b>	<b>23.03%</b>				

## CHART #3

### ALL FLAGSHIP LOCATIONS: TOP 25% / MIDDLE 50% / BOTTOM 25% MEDIANS

	TOP 25% FLAGSHIPS MEDIAN	MIDDLE 50% FLAGSHIPS MEDIAN	BOTTOM 25% FLAGSHIPS MEDIAN	TOTAL FLAGSHIPS MEDIAN	TOP 25% FLAGSHIPS MEDIAN	MIDDLE 50% FLAGSHIPS MEDIAN	BOTTOM 25% FLAGSHIPS MEDIAN	TOTAL FLAGSHIPS MEDIAN
<b>LOCATIONS</b>	4	7	4	15	4	7	4	15

	TOP 25% FLAGSHIPS MEDIAN	MIDDLE 50% FLAGSHIPS MEDIAN	BOTTOM 25% FLAGSHIPS MEDIAN	TOTAL FLAGSHIPS MEDIAN	TOP 25% FLAGSHIPS MEDIAN	MIDDLE 50% FLAGSHIPS MEDIAN	BOTTOM 25% FLAGSHIPS MEDIAN	TOTAL FLAGSHIPS MEDIAN
<b>NET REVENUE</b>	\$970,045	\$546,212	\$379,734	\$546,212	100%	100%	100%	100%
ESTHETICIAN WAGES	\$262,470	\$152,103	\$106,527	\$152,103	27%	28%	28%	28%
RECEPTION	\$51,348	\$29,419	\$21,583	\$29,419	5%	5%	6%	5%
GENERAL MANAGEMENT	\$40,775	\$17,351	\$14,592	\$20,104	4%	3%	4%	4%
SUPPLIES	\$95,563	\$53,124	\$37,020	\$54,443	10%	10%	10%	10%
INVENTORY MANAGEMENT	\$987	\$548	\$168	\$537	0%	0%	0%	0%
AD MANAGEMENT	\$8,188	\$3,874	\$4,212	\$5,371	1%	1%	1%	1%
DIGITAL AD SPEND	\$40,517	\$20,199	\$20,193	\$20,691	4%	4%	5%	4%
LOCAL ADVERTISING	\$13,450	\$4,628	\$1,103	\$4,628	1%	1%	0%	1%
ADMIN OPERATIONS	\$27,131	\$13,317	\$10,942	\$13,825	3%	2%	3%	3%
ROYALTY	\$58,878	\$32,773	\$22,035	\$32,773	6%	6%	6%	6%
HELLO SUGAR REMOTE	\$15,528	\$8,481	\$5,307	\$8,344	2%	2%	1%	2%
TRAINING EXPENSES	\$14,508	\$6,621	\$4,060	\$7,368	1%	1%	1%	1%
TECH FEE	\$728	\$415	\$402	\$523	0%	0%	0%	0%
SOFTWARE EXPENSES	\$11,141	\$6,873	\$5,858	\$6,873	1%	1%	2%	1%
ACCOUNTING + LICENSES	\$2,953	\$1,754	\$1,097	\$1,754	0%	0%	0%	0%
RENT	\$65,204	\$57,343	\$50,134	\$62,809	7%	10%	13%	11%
STORAGE UNIT	\$0	\$0	\$0	\$0	0%	0%	0%	0%
UTILITIES	\$10,705	\$3,494	\$1,584	\$4,458	1%	1%	0%	1%
INSURANCE	\$9,804	\$5,384	\$3,404	\$5,384	1%	1%	1%	1%

	TOP 25% FLAGSHIPS MEDIAN	MIDDLE 50% FLAGSHIPS MEDIAN	BOTTOM 25% FLAGSHIPS MEDIAN	TOTAL FLAGSHIPS MEDIAN	TOP 25% FLAGSHIPS MEDIAN	MIDDLE 50% FLAGSHIPS MEDIAN	BOTTOM 25% FLAGSHIPS MEDIAN	TOTAL FLAGSHIPS MEDIAN
<b>NET REVENUE</b>	\$970,045	\$546,212	\$379,734	\$546,212	100%	100%	100%	100%
CERTAIN EXPENSES	\$729,880	\$417,701	\$310,221	\$431,408	75%	76%	82%	79%
<b>NET REVENUE MINUS CERTAIN EXPENSES</b>	\$240,165	\$128,511	\$69,514	\$114,804	24.76%	23.53%	18.31%	21.02%
<b>NET REVENUE MINUS CERTAIN EXPENSES %</b>	24.76%	23.53%	18.31%	21.02%				

## CHART #4

### ALL FLAGSHIP LOCATIONS: 4+ YEARS OLD - AVERAGE / MEDIAN / HIGH / LOW

	ALL FLAGSHIPS OPEN 4+ YEARS AVERAGE	ALL FLAGSHIPS OPEN 4+ YEARS MEDIAN	ALL FLAGSHIPS OPEN 4+ YEARS HIGH	ALL FLAGSHIPS OPEN 4+ YEARS LOW	ABOVE AVERAGE		BELOW AVERAGE	
<b>LOCATIONS</b>	6	6	6	6	2 OF 6	33.33%	4 OF 6	66.67%

NET REVENUE	\$766,771	\$642,655	\$1,387,504	\$440,748
ESTHETICIAN WAGES	\$205,564	\$166,069	\$384,229	\$129,334
RECEPTION	\$41,405	\$32,552	\$78,556	\$26,150
GENERAL MANAGEMENT	\$26,619	\$21,984	\$46,560	\$17,910
SUPPLIES	\$69,347	\$55,759	\$129,643	\$33,398
INVENTORY MANAGEMENT	\$722	\$671	\$1,428	\$0
AD MANAGEMENT	\$4,721	\$3,251	\$8,707	\$3,504
DIGITAL AD SPEND	\$26,616	\$20,438	\$46,241	\$20,691
LOCAL ADVERTISING	\$7,641	\$6,221	\$17,186	\$1,841
ADMIN OPERATIONS	\$21,622	\$20,018	\$36,566	\$10,775
ROYALTY	\$46,157	\$38,559	\$83,250	\$27,350
HELLO SUGAR REMOTE	\$12,050	\$10,582	\$22,526	\$4,065
TRAINING EXPENSES	\$8,497	\$7,830	\$16,643	\$529
TECH FEE	\$622	\$496	\$1,054	\$540
SOFTWARE EXPENSES	\$10,045	\$8,111	\$15,417	\$10,333
ACCOUNTING + LICENSES	\$3,011	\$2,060	\$4,301	\$4,988
RENT	\$60,267	\$73,668	\$67,599	\$26,515
STORAGE UNIT	\$0	\$0	\$0	\$0
UTILITIES	\$13,413	\$20,738	\$7,241	\$1,439
INSURANCE	\$8,623	\$6,665	\$14,159	\$8,780

NET REVENUE	\$766,771	\$642,655	\$1,387,504	\$440,748
CERTAIN EXPENSES	\$566,944	\$495,671	\$981,306	\$328,140
NET REVENUE MINUS CERTAIN EXPENSES	\$199,827	\$146,984	\$406,198	\$112,608
NET REVENUE MINUS CERTAIN EXPENSES %	26.06%	22.87%	29.28%	25.55%

## CHART #5

### ALL FLAGSHIP LOCATIONS: OPENED IN 2023 OR 2024 - AVERAGE / MEDIAN / HIGH / LOW

	ALL FLAGSHIPS OPENED IN 2023 OR 2024 AVERAGE	ALL FLAGSHIPS OPENED IN 2023 OR 2024 MEDIAN	ALL FLAGSHIPS OPENED IN 2023 OR 2024 HIGH	ALL FLAGSHIPS OPENED IN 2023 OR 2024 LOW	ABOVE AVERAGE		BELOW AVERAGE	
<b>LOCATIONS</b>	9	9	9	9	3 OF 9	33.33%	6 OF 9	66.67%

NET REVENUE	\$566,161	\$510,533	\$924,256	\$324,774
ESTHETICIAN WAGES	\$157,711	\$150,891	\$252,719	\$96,808
RECEPTION	\$31,894	\$32,505	\$49,095	\$20,449
GENERAL MANAGEMENT	\$21,780	\$16,964	\$49,363	\$10,524
SUPPLIES	\$58,201	\$48,514	\$94,483	\$32,289
INVENTORY MANAGEMENT	\$638	\$541	\$0	\$336
AD MANAGEMENT	\$7,095	\$6,381	\$16,434	\$3,061
DIGITAL AD SPEND	\$28,929	\$22,128	\$68,761	\$14,148
LOCAL ADVERTISING	\$4,667	\$4,402	\$21,615	\$0
ADMIN OPERATIONS	\$14,470	\$12,473	\$24,727	\$11,109
ROYALTY	\$34,039	\$31,702	\$56,806	\$19,486
HELLO SUGAR REMOTE	\$7,146	\$8,725	\$7,031	\$5,324
TRAINING EXPENSES	\$8,637	\$6,451	\$21,657	\$3,954
TECH FEE	\$450	\$405	\$540	\$249
SOFTWARE EXPENSES	\$6,758	\$7,013	\$6,534	\$4,914
ACCOUNTING + LICENSES	\$1,571	\$1,690	\$995	\$1,009
RENT	\$57,343	\$57,159	\$76,032	\$37,002
STORAGE UNIT	\$365	\$0	\$1,642	\$0
UTILITIES	\$4,510	\$2,109	\$14,169	\$1,528
INSURANCE	\$5,104	\$5,320	\$4,967	\$3,309

<b>NET REVENUE</b>	\$566,161	\$510,533	\$924,256	\$324,774
CERTAIN EXPENSES	\$451,305	\$415,374	\$767,570	\$265,498
<b>NET REVENUE MINUS CERTAIN EXPENSES</b>	\$114,856	\$95,158	\$156,686	\$59,277
<b>NET REVENUE MINUS CERTAIN EXPENSES %</b>	20.29%	18.64%	16.95%	18.25%