Provision	Section in Area Development Agreement	Summary
u. Dispute resolution by arbitration or mediation	Section 17	All disputes will be resolved in accordance with the terms and conditions of the initial franchise agreement. Except for certain claims, all disputes must be mediated and arbitrated in the principal city closest to our principal place of business (currently Carlsbad, California), subject to applicable state law.
v. Choice of forum	Section 17	All disputes will be resolved in accordance with the terms and conditions of the initial franchise agreement. All disputes must be mediated, arbitrated, and if applicable, litigated in the principal city closest to our principal place of business (currently Carlsbad, California), subject to applicable state law.
w. Choice of law	Section 15	The laws of the state where the Area Development Franchise is located apply, subject to applicable state law.

ITEM 18
PUBLIC FIGURES

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

ITEM 19
FINANCIAL PERFORMANCE REPRESENTATIONS

The FTC's Franchise Rule permits a franchisor to disclose information about the actual or potential financial performance of its franchised and/or franchisor-owned outlets, and/or affiliate-owned outlets, if there is a reasonable basis for the information, and if the information is included in the Franchise 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 performance at a particular location or under particular circumstances.

As of December 31, 2025, we had two affiliate-owned Herway Clinics ("Affiliate Locations") and no franchised Herway Clinics ("Franchised Locations") in operation. The table below presents historical financial performance information for the one Affiliate Location (the San Diego, CA, location or the "Reporting Location") that was open and operating as our affiliate during the entire period from May 1, 2025 through April 30, 2026 (the "Reporting Period").

The Reporting Location offers the same core products and services as the franchised Clinics will offer under this Franchise Disclosure Document and operates under a substantially similar format.

During the Reporting Period, the Reporting Location operated under a different brand than the brand we currently offer, and operates a men's and women's business out of the same space. However, the Reporting Location uses the same system as is offered under this Franchise Disclosure Document and was owned and operated by our affiliate for the entire 12-month Reporting Period. These results may differ materially from the results of a Franchised Location, as the Reporting Location does not pay Royalties, required advertising fees (including Brand Fund Fees and Digital Marketing Set-Up and Digital Marketing

Fees), or required technology fees (including the Technology Set-Up Fee and ongoing Technology Maintenance Fees), which Franchised Locations will have to pay. The financial information from the below table was prepared from internal accounting records and reports. The numbers have not been audited, but we have no reason to doubt their accuracy.

A second Affiliate Location (the Carlsbad, CA, location) is not included in this Item 19 because, although it currently operates under the "Herway" name and was owned and operated by our affiliate during the Reporting Period, it operates under a different system from the one we are offering under this Franchise Disclosure Document. Specifically, it uses a different format and model, featuring a different product and service mix and SKU set than what is offered to franchisees, requiring substantially different equipment and products that franchisees operating under the System will not use or offer in their Herway franchised businesses. We have used this location as a pilot/research and development location testing unreleased services which are not permitted or provided by Franchised Locations under this Franchise Disclosure Document.

The financial information provided in the table below consists of the historical performance of the Reporting Location during the Reporting Period.

Category	Clinic	MSO	Total	% of Gross Revenue
Gross Revenue	$1,329,090	$502,725	$1,831,815	100.0%
Operating Expenses				
Payroll Expenses				
Bonuses & Commissions	-	-	$0	0.0%
Payroll Taxes & Processing	$32,269	-	$32,269	1.8%
Wages	$360,968	-	$360,968	19.7%
Total Payroll Expenses	$393,237	-	$393,237	21.5%
Other Operating Expenses	-	-		
Accounting & Taxes/Prep		$5,138	$5,138	0.3%
Advertising/ Promotion & Digital Marketing	$50,189		$50,189	2.7%
Bank Service, Interest & Legal	$5,530	$2,370	$7,901	0.4%
Business Licenses and Permits	-	$672	$672	0.0%
Computer and Internet Expenses	$7,506	$3,217	$10,722	0.6%
Continuing Education	$1,850	-	$1,850	0.1%
Dues and Subscriptions	$19,385	-	$19,385	1.1%
HR Expense	$566	-	$566	0.0%
Independent Contractors	$78,748	-	$78,748	4.3%
Insurance (Liability & Workers Comp)	$11,368	-	$11,368	0.6%
Laboratory Fees	$72,078	-	$72,078	3.9%
Meals and Entertainment	$6,650	-	$6,650	0.4%
Medical Supplies	$231,464	-	$231,464	12.6%
Merchant Fees	$36,844	-	$36,844	2.0%
Miscellaneous Expense	-	-	$0	0.0%
Office Supplies	$23,123	-	$23,123	1.3%
Pharmacy & Medication	$214,113	-	$214,113	11.7%

Category	Clinic	MSO	Total	% of Gross Revenue
Postage, Uniforms, Security, Repairs	$827	-	$827	0.0%
Professional Fees	$1,839	-	$1,839	0.1%
Rent Expense	-	$57,932	$57,932	3.2%
Telephone Expense	$4,473	$1,917	$6,391	0.3%
Travel Expense	-	-	-	0.0%
Utilities*	-	-	$0	0.0%
Total Operating Expense	$1,159,790	$71,247	$1,231,037	67.2%
Franchisee-Related Adjustments				
Franchisee Royalty (6%)			$109,909	6.0%
Franchisee Brand Development Account Fee (2%)			$36,636	2.0%
Adjusted Earnings			$454,233	24.8%

Notes:

1. Operating History. The Reporting Location has been in operation in San Diego, California since January 2017 but has only been operated by our affiliate since May 2025.

2. The included Reporting Location during the Reporting Period previously operated under a different brand than the Herway Health brand and System we currently offer under this Franchise Disclosure Document, but, as of July 1, 2026, it operates under the System. The Reporting Location was owned and operated by our affiliate for the entirety of the Reporting Period.

3. "Gross Revenue" means the total of all revenues and income of the Reporting Location (as operated through an MSO Model), including the revenue generated from the sale of all products and services (including branded products and services) offered at or from the Reporting Location and all other income or revenue of every kind and nature related to, derived from, or originating from the Reporting Location, whether at retail or wholesale, including any off-premises services, mobile clinics, and temporary locations (whether these sales are permitted or not), any initial and renewal membership fees, dues and all other charges, and proceeds of any business interruption insurance policies, whether any of the products or services are sold for cash, check, or credit, and regardless of collection in the case of check or credit. Gross Revenue does not include (i) sales or similar taxes you collect that are chargeable to Patients by law; (ii) any documented refunds or credits; or (iii) sales discounts granted to a Patient. All barter or exchange transactions in which the Reporting Location furnishes products or services in exchange for products or services provided to the Reporting Location by a vendor, supplier or Patient will, for the purpose of determining Gross Revenue, be valued at the full retail value of the products or services so provided to the Reporting Location.

4. "Adjusted Earnings" means Gross Revenue less Payroll Expenses, and certain other Operating Expenses.

5. "Payroll Expenses" includes Bonuses and Commissions, Payroll Taxes, and Wages.

6. "Bonuses and Commissions" includes variable, performance-based, or incentive compensation earned by employees, management, or independent contractors for services rendered during the Reporting Period.

7. "Payroll Taxes and Processing" includes the Reporting Location's legally required portion of federal, state, and local payroll taxes assessed on employee wages, in addition to any administrative fees incurred from third-party payroll processing providers.

8. "Wages" includes payroll for all Clinic employees, including the manager, paid vacation, but does not include any wages or overhead above the Clinic management level.

9. Franchise Related Adjustments. We have imputed certain fees assessed by us and made adjustments based on the fees paid and expenditures required under our current Franchise Agreement. Franchised Locations are required to pay a Royalty equal to the greater of 6% of the Herway Business's Gross Revenue or the Minimum Royalty, contribute 2% of the Herway Business's Gross Revenue as a Brand Fund Fee, Digital Marketing Fees of $2,500 per Clinic per month, and Technology Maintenance Fees of $1,000 per month in addition to the Digital Marketing Set-Up Fee of $2,500 and Technology Set-Up Fee of $3,000. We have imputed a Royalty of 6% of Gross Revenue and Brand Fund Fees of 2% of Gross Revenue in the Franchise Related Adjustments. During the Reporting Period, the Reporting Location spent amounts in excess of the required Digital Marketing Fees and Technology Maintenance Fees, including the Digital Marketing Set-Up Fee and Technology Set-Up Fee. These Franchised Related Adjustments are applied to the historical results of the Reporting Location for illustrative disclosure purposes only. They are not forecasts or projections of future performance. In making these Franchise Related Adjustments, we did not assume that the imputed fees or required expenditures would have a direct or indirect effect on Gross Revenue, labor, occupancy costs, cost of goods sold, or other expense categories.

10. The financial performance representations in this Item 19 do not reflect certain operating expenses or non-operating expenses, including auto expenses, amortization, bad debt, bank charges, depreciation, donations, subscriptions, insurance, employee benefits, interest, federal taxes, security, repairs and maintenance, telephone, and uniform expenses. These excluded costs may be substantial. To calculate the Operating Expenses presented in Table 2, our Reporting Location allocated its total expenses proportionally based on revenue. First, the location determined what percentage of its total overall revenue came exclusively from the women's health business (the "Women's Health Percentage"). Then, the location multiplied its total Operating Expenses by the Women's Health Percentage. Accordingly, the figures presented in Table 2 should not be viewed as net income, net profit, or overall profitability. The figures shown are limited operating metrics only and are not net income, net profit, EBITDA, cash flow, or overall profitability. 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 this Disclosure Document may be one source of this information.

One HerWay Affiliate Location has earned this amount. Your individual results may differ. There is no assurance you'll earn as much. Written substantiation for the financial performance representation will be made available to the prospective franchisee 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 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 Franchise Operations, at info@herwayhealth.com or 760-290-3552, the Federal Trade Commission, and the appropriate state regulatory agencies.

ITEM 20
OUTLETS AND FRANCHISEE INFORMATION

Table No. 1

Systemwide 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 Outlets	2023	0	0	0
	2024	0	0	0
	2025	0	0	0
Company-Owned	2023	0	0	0
	2024	0	1	+1
	2025	1	2	+1
Total Outlets*	2023	0	0	0
	2024	0	1	+1
	2025	1	2	+1

Table No. 2

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

State	Year	Number of Transfers
Totals	2023	0
	2024	0
	2025	0

Table No. 3

Status of Franchised Outlets
For Years 2023 - 2025

State	Year	Outlets at Start of the Year	Outlets Opened	Termina-tions	Non-Renewals	Reacquired by Franchisor	Ceased Opera-tions-Other Reasons	Outlets at End of the Year
Total	2023	0	0	0	0	0	0	0
	2024	0	0	0	0	0	0	0
	2025	0	0	0	0	0	0	0