

Provision	Section in Development Agreement	Summary
		not apply unless its jurisdictional requirements are met independently.

## ITEM 18 PUBLIC FIGURES

We do not currently use any public figure to promote the 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 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 possible performance at a particular location or under particular circumstances.

**Some studios have earned this amount. Your individual results may differ. There is no assurance that you’ll earn this much.**

The following tables include historical performance data from each of our affiliate locations (each a “Measured Studio”). All data is for the calendar year 2022 (the “Measurement Period”). No affiliate locations were excluded. Except for years in operation, none of the locations disclosed in this Item 19 have any characteristics that are materially different from those of a new franchised location offered pursuant to this disclosure document.

For each of the following tables, the following definitions are used:

**“Local Advertising”** means the amount a location would have spent on Local Advertising if it had the same requirements as a franchisee pursuant to this offering.

**“Marketing Fee”** means the total Marketing Fees a location would have paid if it was required to do so. These locations intend to contribute a Marketing Fee in the future.

**“Product Cost”** means the variable costs of product associated with providing services at a given location.

**“Rent”** means rent expense and common area maintenance expenses associated with the premises. It excludes other expenses associated with the premises such as property tax allocations and insurance allocations.

**“Revenue”** means all revenue generated by the studio during the Measurement Period including both service and product revenue.

**“Revenue Less Disclosed Expenses”** is calculated by taking the disclosed revenue figures for each location and subtracting the disclosed expenses. It does not account for any other operating costs that are not specifically listed.

**“Rooms”** means the number of rooms in the Studio for providing services.”

**“Royalties”** means the amount of Royalties a location would have paid if it was required to do so. These locations did not pay Royalties during the Measurement period.

**“Sugarist Labor”** means all variable labor costs associated with the Sugarist position at a given location including wages and payroll taxes, but excluding any type of insurance.

### Revenue and Expenses

Revenue and Certain Operating Expenses					
Affiliate Studio	#1	#2	#3	#4	#5
# of Rooms	\$3	\$2	\$2	\$3	\$3
Year Opened	\$2,021	\$2,014	\$2,013	\$2,017	\$2,011
Revenue	\$228,829	\$521,824	\$476,898	\$347,180	\$832,516
Sugarist Labor	\$92,538	\$164,681	\$167,493	\$96,436	\$258,309
Product Cost	\$23,151	\$27,453	\$26,837	\$23,065	\$44,138
Rent	\$100,010	\$14,400	\$49,779	\$50,394	\$77,693
Fixed Labor	\$29,393	\$73,827	\$48,624	\$95,511	\$70,619
Royalties (Calculated)	\$13,730	\$31,309	\$28,614	\$20,831	\$49,951
LAR (calculated)	\$24,000	\$24,000	\$24,000	\$24,000	\$24,000
Marketing Fee (calculated)	\$4,577	\$10,436	\$9,538	\$6,944	\$16,650
Revenue Less Disclosed Expenses*	(\$58,570)	\$175,717	\$122,013	\$30,000	\$291,156

\*Note: Revenue Less Disclosed Expenses is calculated by taking the Gross Revenue for that center and subtracting costs for Sugarist, Product Cost, Payroll, Rent, and the appropriate Estimated Fees. It does not account for any other operating costs or expenses not specifically listed above.

For the following tables, the following definitions are used:

**“Other Services”** means all services offered by Studios except for the Brazilian.

For the following table, the following definitions are used:

**“Non-Member Brazilian”** refers to Brazilian services at the measured Studio for clients who are not members.

**“Membership”** refers to Brazilian services at the measured Studio for clients who pay a recurring membership fee.

### Average Price by Service Type

Average Price by Service Type			
LOCATION	Non-Member Brazilian	Membership	Other Services
#1	\$70.60	\$71.65	\$48.83
#2	\$72.66	\$70.35	\$50.52
#3	\$74.36	\$72.55	\$44.68
#4	\$70.41	\$74.56	\$47.97
#5	\$74.51	\$73.47	\$55.60

### % of Revenue by Service Type

% of Revenue by Service Type			
LOCATION	Non-Member Brazilian	Membership	All Other

#1	55%	22%	23%
#2	48%	28%	24%
#3	46%	26%	29%
#4	50%	15%	35%
#5	46%	14%	40%

For the following tables, the following definitions are used:

**“First Time Clients”** means the total number of clients in the Measurement Period who received a service at the Measured Studio for the first ever.

**“Avg # of Services per Day”** means the average number of daily services provided a by Measured Studio during the Measurement Period.

First Time Clients by Location	
LOCATION	First Time Clients
#1	634
#2	731
#3	763
#4	1081
#5	1327

Average # of Services per Day		
LOCATION	Total Services	Avg Services/Day
#1	3,726	10.4
#2	8,408	23.4
#3	7,768	21.6
#4	5,766	16.0
#5	13,505	37.5

For the table, the following definitions are used:

**“Sun”** means a monthly membership for a Brazilian or Extended bikini service.

**“Sand”** means a monthly membership for a Brazilian and underarm services.

**“Surf”** means a monthly membership for a Brazilian and full legs services.

**“Wave”** means a monthly membership for a manzilian.

**“Beach”** means a monthly membership for a manzilian and should services.

Memberships Sold by Location, 2023					
LOCATION	Sun	Sand	Wave	Surf	Beach
#1	69	8	9	0	1
#2	366	26	3	5	0
#3	256	29	7	5	0
#4	133	21	9	2	0
#5	232	32	5	9	0

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

Other than the preceding financial performance representation we do not make any representations about a franchisee's future financial performance or the past financial performance of company-owned or franchised outlets. 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 David Taccolini, 106 E. Liberty St., Suite 310, Ann Arbor, MI 48104, (734) 430-0718, the Federal Trade Commission, and the appropriate state regulatory agencies.

## ITEM 20 OUTLETS AND FRANCHISEE INFORMATION

**Table No. 1**  
**Systemwide Outlet Summary**  
**For Years 2021 to 2023**

Outlet Type	Year	Outlets Operating at the Start of the Year	Outlets Operating at the End of the Year	Net Change
Franchised	2021	0	0	0
	2022	0	0	0
	<b>2023</b>	<b>0</b>	<b>0</b>	<b>0</b>
Company Owned	2021	5	5	0
	2022	5	5	0
	<b>2023</b>	<b>5</b>	<b>5</b>	<b>0</b>
<b>Total Outlets</b>	2021	5	5	0
	2022	5	5	0
	<b>2023</b>	<b>5</b>	<b>5</b>	<b>0</b>

**Table No. 2**  
**Transfers of Outlets from Franchisees to New Owners (other than the Franchisor)**  
**For Years 2021 to 2023**

State	Year	Number of Transfers
<b>Totals</b>	2021	0
	2022	0
	<b>2023</b>	<b>0</b>