

Provision	Section in Area Development Agreement	Summary
t. Integration/merger clause	Section 11	Only the terms of the Area Development Agreement are binding (subject to state law). Any representations or promises outside of this Franchise Disclosure Document and the Area Development Agreement may not be enforceable. Notwithstanding the foregoing, nothing in the Franchise Agreement or any related agreement is intended to disclaim the representations made in this Franchise Disclosure Document.
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 Tampa, Florida), 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 Tampa, Florida), subject to applicable state law.
w. Choice of law	Section 15	Florida law applies, subject to applicable state law.

ITEM 18 PUBLIC FIGURES

We do not use any public figure to promote the 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, if there is a reasonable basis for the information, and 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 performance at a particular location or under particular circumstances.

This Item 19 presents information about the historical financial performance of certain franchised Medi-Weightloss Businesses during our fiscal year period from January 1, 2023 to December 31, 2023 (“Fiscal Year 2023”). This Financial Performance Representation does not include data for company-owned Medi-Weightloss Businesses or Licensed Businesses.

There were 88 franchised Medi-Weightloss Businesses operating as of December 31, 2023. Because 15 opened and three closed during the year, 70 operated for the entire Fiscal Year 2023. Of these



70 Medi-Weightloss Businesses, 54 reported the expenses to us in a format we deemed to be sufficiently reliable on a comparative basis for Fiscal Year 2023 (the “Reporting Businesses”).

We also include certain metric data in Section 2 that includes collection reporting from all 91 franchised Medi-Weightloss Businesses that operated during Fiscal Year 2023 (“System-Wide Reporting Group”). All of the franchised Medi-Weightloss Businesses in the System-Wide Reporting Group have entered into the Medi-Living Addendum and offer Ancillary Products and Services

Section 1- Reporting Businesses

Section 1 provides financial information for the Reporting Businesses during Fiscal Year 2023. We have divided the Reporting Businesses into groups based on their “Marketing Spend.” “Marketing Spend” refers to the range of the monthly expenditure on local advertising & marketing for each subset of Reporting Businesses. Some franchisees operate on a prior form of Franchise Agreement that does not require them to current local advertising requirement of \$3,000.

1. Average Gross Sales, Gross Profit and the Net Income Before Other Expenses for the Reporting Businesses based upon Marketing Spend during Fiscal Year 2023

A. *Marketing Spend Greater than \$12,000 per Month.*

The following table reflects the average Gross Sales, Gross Profit and Net Income Before Other Expenses for nine Reporting Businesses with a Marketing Spend Greater than \$12,000 per month.

1/1/2023-12/31/2023 Financial Statement Performance 9 Reporting Businesses Marketing Spend Greater Than \$12,000 per Month				
	Average	# Above Average	Median	
Gross Sales	\$1,592,417	4	44%	\$1,633,129
<i>*(High \$2,618,156, Low \$478,079)</i>				
Total Cost of Goods Sold	\$289,938	4	44%	\$280,834
Gross Profit	\$1,302,479	5	56%	\$1,340,479
Selected Operating Expenses				
Compensation, Benefits, & Payroll Taxes	\$549,849	5	56%	\$661,482
Rent	\$82,082	5	56%	\$89,021
Local Advertising/Marketing	\$187,418	4	44%	\$169,916
Total Selected Expenses	\$819,349	5	56%	\$920,301
Royalty Fees	\$119,880	5	56%	\$145,833
Net Income Before Other Expenses	\$363,250	3	33%	\$328,837



B. Marketing Spend Between \$4,500 - \$12,000 per Month.

The following table reflects the average Gross Sales, Gross Profit and Net Income Before Other Expenses for 11 Reporting Businesses with a Marketing Spend between \$4,500 to \$12,000 per month.

1/1/2023-12/31/2023 Financial Statement Performance 11 Reporting Businesses Marketing Spend Between \$4,500-\$12,000 per Month				
	Average	# Above Average		Median
Gross Sales	\$1,139,212	3	27%	\$1,000,206
<i>*(High \$2,670,021, Low \$401,181)</i>				
Total Cost of Goods Sold	\$193,348	4	36%	\$162,804
Gross Profit	\$945,864	3	27%	\$840,843
Selected Operating Expenses				
Compensation, Benefits, & Payroll Taxes	\$437,699	6	55%	\$466,764
Rent	\$60,302	5	45%	\$54,959
Local Advertising/Marketing	\$84,438	4	36%	\$80,000
Total Selected Expenses	\$582,439	6	55%	\$595,398
Royalty Fees	\$105,485	5	45%	\$105,000
Net Income Before Other Expenses	\$257,940	4	36%	\$184,830

C. Marketing Spend Between \$1,500 - \$4,500 per Month.

The following table reflects the average Gross Sales, Gross Profit and Net Income before Other Expenses for 25 Reporting Businesses with a Marketing Spend between \$1,500 to \$4,500 per month.

1/1/2023-12/31/2023 Financial Statement Performance 25 Reporting Businesses Marketing Spend Between \$1,500-\$4,500 per Month				
	Average	# Above Average	Median	
Gross Sales	\$684,065	9	36%	\$616,717
<i>*(High \$1,463,610, Low \$204,621)</i>				
Total Cost of Goods Sold	\$128,445	10	40%	\$113,717
Gross Profit	\$555,620	9	36%	\$510,001
Selected Operating Expenses				
Compensation, Benefits, & Payroll Taxes	\$280,568	10	40%	\$256,549
Rent	\$39,808	16	64%	\$44,187
Local Advertising/Marketing	\$37,323	10	40%	\$40,780
Total Selected Expenses	\$357,698	12	48%	\$341,151
Royalty Fees	\$79,167	11	44%	\$72,000
Net Income Before Other Expenses	\$118,755	11	44%	\$89,357

D. Marketing Spend Less Than \$1,500 per Month.

The following table reflects the average Gross Sales, Gross Profit and Net Income Before Other Expenses for eight Reporting Businesses with a Marketing Spend less than \$1,500 per month.

1/1/2023-12/31/2023 Financial Statement Performance 9 Reporting Businesses Marketing Spend Less Than \$1,500 per Month				
	Average	# Above Average	Median	
Gross Sales	\$524,880	4	44%	\$475,473
<i>*(High \$905,350, Low \$189,708)</i>				
Total Cost of Goods Sold	\$109,976	5	56%	\$113,801
Gross Profit	\$414,904	4	44%	\$361,673
Selected Operating Expenses				
Compensation, Benefits, & Payroll Taxes	\$241,532	4	44%	\$178,250
Rent	\$30,133	4	44%	\$24,000
Local Advertising/Marketing	\$8,322	4	44%	\$4,937
Total Selected Expenses	\$279,986	4	44%	\$240,797
Royalty Fees	\$57,769	4	44%	\$55,667
Net Income Before Other Expenses	\$77,149	5	56%	\$85,545

E. All 54 Reporting Businesses Regardless of size of Marketing Spend.

The following table reflects the average Gross Sales, Gross Profit and Net Income Before Other Expenses for all 54 Reporting Businesses.

1/1/2023-12/31/2023 Financial Statement Performance 54 Reporting Businesses				
	Average	# Above Average	Median	
Gross Sales	\$901,641	21	39%	\$752,739
<i>*(High \$2,670,021, Low \$189,708)</i>				
Total Cost of Goods Sold	\$165,503	19	35%	\$143,453
Gross Profit	\$736,138	20	37%	\$606,488
<i>*(High \$2,101,845, Low \$157,287)</i>				
Selected Operating Expenses				
Compensation, Benefits, & Payroll Taxes	\$350,950	21	39%	\$328,228
Rent	\$49,416	25	46%	\$48,432
Local Advertising/Marketing	\$67,103	15	28%	\$45,578
Total Selected Expenses	\$467,469	22	41%	\$421,690
Royalty Fees	\$87,747	23	43%	\$84,000
Net Income Before Other Expenses	\$180,922	22	41%	\$127,186
<i>*(High \$906,243, Low -\$122,307)</i>				

Section One Notes:

1. For the Reporting Businesses, we used the figures provided to us via either QuickBooks software or hard copy reporting voluntarily submitted to us.
2. The dollar figures in the tables above reflect the average and median dollar amounts for the data set reported in each applicable table. The columns labeled “# Above Average” reflects the actual number (also expressed as a percentage) of franchised Medi-Weightloss Businesses in the reporting data set that met or exceeded the corresponding average dollar amount.
3. “Gross Sales” refers total revenue derived from the sale of goods or services less sales tax, discounts, allowances, and returns.
4. “Gross Profit” means Gross Sales minus Cost of Goods Sold.
5. “Cost of Goods Sold” means the cost of labs, medications, medical supplies, supplements, injections, program materials, insurance billing, credit card fees, sales tax, and shipping and handling.

6. **“Selected Operating Expenses”** means the sum of Rent, Local Advertising & Marketing, and Total Compensation, Benefits & Payroll Taxes.
7. **“Compensation, Benefits & Payroll Taxes”** means the sum of employee contract fees, employee health benefits, employee welfare benefits, incentive compensation, Medical Director salary, payroll expense adjustments, staff salaries and temporary services, employer FICA/Medicare, employer FUI, and employer SUI. In instances where franchise owner compensation was reported as an itemized expense within this category, we excluded that compensation from Total Compensation, Benefits & Payroll Taxes. This figure does not cover all employee-related costs associated with operating a franchised Medi-Weightloss Business. For example, this figure does not include the cost of education, seminars, professional liability and workers compensation insurance, recruiting/staffing services, payroll processing fees, uniforms, and travel.
8. **“Rent”** means the cost of rent, common area maintenance, and any other fees paid to the landlord.
9. **“Local Advertising & Marketing”** means the costs associated with media placement, promotional items, and production of materials used by Medi-Weightloss Businesses. It does not include the System Branding Fee described in Item 6.
10. **“Net Income Before Other Expenses”** means Gross Sales minus the sum of Cost of Goods Sold, Selected Operating Expenses, and Royalty Fees.
11. There are a number of other costs and expenses that franchised Medi-Weightloss Businesses may incur that are not included in the calculations to determine Gross Profit and Net Income Before Other Expenses. Some of these costs and expenses include, for example, insurance, processing fees, taxes, professional services, liability and property insurance premiums, business licenses and permits, office supplies, and business taxes. You should consider these and all other costs and expenses that you will incur when creating a business plan for your franchised Medi-Weightloss Business.
12. The data disclosed in these financial performance representations are averages of the data reported by the franchisees who have data included in this Item 19. We have not audited or reviewed the franchisees' financial records in compiling this information, and there are no assurances that generally accepted accounting principles were used by the franchisees or that some franchisees accounted for a category of data differently from another.
13. The group of 54 Reporting Businesses also sell similar products and services to what you will sell from your franchised Medi-Weightloss Business, are in 17 different states (with the majority operating in Florida (11), Massachusetts (8), Connecticut (4), Texas (4), and Virginia (4)) and have been in operation between 13 and 212 months.
14. All figures used in determining the data included in this financial performance representation are on file and available upon request. Written substantiation for the financial performance representation will be made available to the prospective franchisee upon reasonable request.



Section 2 - System-Wide Reporting Group

Section 2 contain a summary of: (i) the percentage of each category of revenue collected by the System-Wide Reporting Group and (ii) collections metrics for revenue collected from insurance reimbursement.

A. Revenue by Category

The following tables contain the the percentage of each category of revenue collected by the System-Wide Reporting Group that operated during Fiscal Year 2023 and (ii) collections metrics for revenue collected from insurance reimbursement.

Revenue by Category For the System-wide Reporting Group in Fiscal Year 2023	
Revenue Category	Percentage of Revenue
Patient Services	69%
In-Office Treatments and Product Sales	31%

B. Revenue Collection.

The following tables (ii) collections metrics for revenue collected from insurance reimbursement..

Percent of Net Patient Services Revenue Collected For the System-Wide Reporting Group in the 2023 Fiscal Year	
Collection Period	Net Patient Services Revenue % Collected
1 - 13 Days from Date of Service	53%
1 – 30 days from Date of Service	90%

Section Two Notes:

1. “Percent of Revenue” refers to the percentage of revenue generated from Patient Services or In-Office Treatments and Products.
2. “Patient Services” refers to all medical services provided by the Medi-Weightloss Businesses, including revenue generated from visit fees, diagnostic testing, and other medical services.
3. “In-Office Treatments and Products” refers to revenue from retail sales and sales of treatments, including injections and IVs.

4. “Collection Period” refers to the time period when payments were collected from insurance carriers. The collection period is measured from the date a service is rendered.

5. “Net Patient Revenue” is the aggregate money generated from patient services collected from payors, including private insurance, Medicaid and Medicare. This is calculated as the total patient revenues minus patient discounts.

6. Benchmarks. For benchmark comparison, average performance of single specialty primary care practices is to collect 53% of their insurance reimbursement within 30 days. This benchmark was published by the Medical Group Management Association (MGMA)® in its benchmark for primary care single specialty practices in 2020.

7. This data has been collected from our internal reporting systems and from data reported by the franchised Medi-Weightloss Businesses in the System-wide Reporting Group.

Some Medi-Weightloss Businesses have sold this amount. Your individual results may differ. There is no assurance that you will sell as much.

Other than the preceding financial performance representations, 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 Colette Trebon, General Counsel, at 509 S. Hyde Park Ave., Tampa, Florida 33606, (813) 228-6334, 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 – 2023

Outlet Type	Year	Outlets at the Start of the Year	Outlets at the End of the Year	Net Change
Franchised Outlets	2021	74	72	-2
	2022	72	76	+4
	2023	76	88	+12
Company-Owned	2021	16	18	+2
	2022	18	21	+3
	2023	21	17	-4
Total Outlets	2021	90	90	0
	2022	90	97	+7
	2023	97	105	+8