

	Provision	Section in Development Agreement	Summary
v.	Choice of forum	Section 17	Connecticut, or the then-current location of our principal place of business (Subject to state law)
w.	Choice of law	Section 17	Subject to applicable state law; Connecticut

ITEM 18
PUBLIC FIGURES

We do not currently use any public figure to promote our franchise.

(The remainder of this page is left intentionally blank; Item 19 begins on the next page)

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.

These financial performance representations are based upon the combined historic operating revenues of our Company-Owned Outlet and the combined historic operating revenues and key performance indicators of four of our franchise outlets (the “Franchise Outlets”). The Company-Owned Outlet provided data to us regarding the operation of their outlets and were in operation for a period that covers the 2023 and 2024 fiscal year, and the Franchise Outlets provided data to us regarding the operation of their outlets and were in operation for a period that covers October 2024 through March 2025 (each a “Measurement Period”). An Outlets operation throughout the entirety of the Measurement Period is the only criteria used for inclusion in this Item 19.

The explanatory notes included with the following charts are an integral part of this financial performance representation and should be read in their entirety for a full understanding of the information contained in the following charts.

I. Statement of Income and Certain Expenses of the Company Owned Outlet

Statement of Income	2023	2024
Gross Revenue	\$439,188	\$257,685
Operating Expenses	\$48,900	\$35,972
Payroll	\$131,797	\$69,240
Rent	\$50,415	\$24,000
Marketing	\$42,052	\$20,987
Franchisee Expenses		
Royalty Fees (7%)	\$30,743	\$18,038
Brand Fund Contribution (1%)	\$8,784	\$5,153
Total Expenses	\$312,691	\$173,390
Net Income	\$126,497	\$84,295

Notes Regarding the Table 1 Above

1. The figure in the tables above uses the combined historical information that the Company Owned Outlet provided to us. The 2023 figures listed above represent the combined figures of two non- traditional locations with 4 stretch tables operating under combined accounting principles. The 2024 figures above represent a single VS Lite location with 2 stretch tables. Upon your reasonable request, we will provide written substantiation for this financial performance representation.
2. “Gross Revenue” means all revenues derived from providing products and/or services to customers. Gross Revenue does not include taxes which were collected and paid to applicable government authorities or revenue for which there was a valid corresponding refund paid to the customer. This figure represents the combined gross revenue earned by the Company Owned Outlet during the Measurement Period.
3. “Operating Expenses” means other expenses attributable to the operation of a VS Lite location, including supplies, office supplies, merchant fees and banking charges, business licenses & permits, office expenses, marketing expenses, local/co-op marketing expenses, charitable contributions, and other miscellaneous expenses.
4. “Franchisee Expenses” means fees that are attributable to a franchisee running a VS Lite location under our current Franchise Agreement. These fees are listed in Item 6 of this document and include (i) Royalty Fees which are 7% of Gross Revenue; and (ii) Brand Fund Contributions that are 2% of Gross Revenue. To calculate the estimated fees under (i) and (ii), the total Gross Revenues were multiplied by the applicable percentage.
5. “Total Expenses” means the combined total of Total Expenses plus Franchisee Expenses.
6. “Net Income” means Gross Revenue minus Total Expenses. The figures represented above do not include certain costs and expenses you will incur in the categories of depreciation, amortization, interest or principal payments on loans to the business or income taxes owed by the business or its owners.

II. Gross Revenue for the Franchise Outlets

October 2024 through March 2025				
	Low	Median	High	Average
Total Gross Revenue	\$50,644	\$75,595	\$101,063	\$75,724

III. Appointments Booked and Performed for the Franchise Outlets

October 2024 through March 2025				
	Low	Median	High	Average
Total Non-Membership Appointments Booked	106	241	428	254
Total Non-Membership Appointments Performed	83	170	378	200

IV. Appointments Converted and Conversion Percentage for the Franchise Outlets

October 2024 through March 2025				
	Low	Median	High	Average
Membership Conversions	65	92	131	95

V. Membership Conversion Percentage for the Franchise Outlets

October 2024 through March 2025				
	Low	Median	High	Average
Membership Conversion Percentage	34.66%	53.82%	78.31%	47.32%

Notes Regarding the Tables 2 through 4 Above and Item 19 Generally:

1. The figure in the tables above uses the combined historical information that the Franchise Outlets provided to us. The Franchise Outlets opened for business in January, September, and October of 2024 respectively. Upon your reasonable request, we will provide written substantiation for this financial performance representation.
2. During the Measurement Period the Franchised Outlets were required to offer a now discontinued “Founder’s Club Discount” which equated to 20% discount on regular membership and resulted in a lower average revenue per member compared to standard rates.
3. “Gross Revenue” means all revenues derived from providing products and/or services to customers. Gross Revenue does not include taxes which were collected and paid to applicable government authorities or revenue for which there was a valid corresponding refund paid to the customer. This figure represents the combined gross revenue earned by the Disclosed Outlets during the Measurement Period.

4. “Total Non-Membership Appointments Booked” means the total number of appointments booked outside of our membership and limited membership models. For purposes of this Item 19, limited membership means a package of no more than 3 visits to a Studio.
5. “Membership Conversions” means the total amount of appointments converted into membership or limited memberships.
6. “Membership Conversion Percentage” means the percentage of appointments that led to memberships or limited memberships. To reach this percentage we divided Membership Conversions by Total Non-Membership Appointments Performed.
7. You should consult other sources for financial information including your financial, business, and legal advisors in connection with the information provided and our franchisees listed in Exhibit C to this Franchise Disclosure Document to obtain additional information necessary for you to develop estimates of the sales, costs, expenses, earnings, and profits.
8. Written substantiation to support the information appearing in this financial performance representation is available to you upon reasonable request.

Some outlets have earned this amount. Your individual results may differ. There is no assurance that you'll sell or earn 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 the franchisor's management by contacting Melissa or Robert Goldring at 112 Main St., Norwalk, CT 06851, (203) 692-5727, or at franchising@thevitalstretch.com, 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 to 2024

Outlet Type	Year	Outlets At The Start Of The Year	Outlets At The End Of The Year	Net Change
Franchised	2022	0	0	0
	2023	0	0	0
	2024	0	4	4
Company Owned*	2022	3	3	0
	2023	3	2	1
	2024	2	1	1
Total Outlets	2022	3	3	0
	2023	3	2	1
	2024	2	6	4

TABLE NO. 2

TRANSFERS OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN FRANCHISOR TO AFFILIATES)
FOR YEARS 2022 to 2024

State	Year	Number Of Transfers
All States	2022	0
	2023	0
	2024	0
Total	2022	0
	2023	0
	2024	0