

Provision	Sections in Multi-Unit Development Agreement	Summary
		Cuyahoga County, Ohio. This provision is subject to applicable state law.
w. Choice of law	7.5, 7.6	Ohio law will govern. However, this provision is subject to state law and as otherwise disclosed in <u>Exhibit I</u> to this Disclosure Document.

ITEM 18

PUBLIC FIGURES

We do not currently use any public figure to promote our franchise. No public figure is currently involved.

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) 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.

DEFINITIONS

- (a) Average – means the sum of all data points in a set, divided by the number of data points in that set.
- (b) Body Contouring – refers to body contouring services and related products associated with muscle toning and skin tightening using radio frequency and high frequency electromagnetic energy devices. Body contouring services also relate to fat reduction using cryolipolysis and thermal energy devices.
- (c) Calendar Year – means each respective annual 12-month period commencing on January 1.
- (d) Company Owned Outlet – means an outlet owned either directly or indirectly by us, our affiliate or any person identified in Item 2 of this Disclosure Document, that operates a VIO Med Spa Business. A Company Owned Outlet also includes any VIO Med Spa Business that: (i) is operated as a joint venture owned in part by us, our affiliate or any person identified in Item 2 of this Disclosure Document; or (ii) is managed by us our affiliate or any person identified in Item 2.
- (e) Custom Packages – refers to a customized set of services, service quantities, and pricing that are outside of and do not conform with standardized System designated service and/or product. Custom Packages are created on the Spa level by the local Spa Location but subject to our approval as to System standards.

(f) Franchise Outlet – means a VIO Med Spa Location Franchise operated under a Franchise Agreement that is not a Company Owned Outlet.

(g) Gift Cards – refers to gift card sales for pre-paid Approved Spa Products and Services.

(h) Injectables – refers to injectable services and related products associated with the injection of cosmetically formulated substances into the skin to achieve a specific effect.

(i) Median – means the data point that is in the center of all data points used. That number is found by examining the total number of data points and finding the middle number in that set. In the event the number of data points is an odd number, the median will be the center number. If the dataset contains an even number of data points, the median is reached by taking the two numbers in the middle, adding them together, and dividing them by two.

(j) Membership Fees – refers to Gross Sales related to the sale of Membership Programs.

(k) Membership Program – refers to a monthly or regular subscription membership program sold to VIO customers that, as a member, entitles the customer to discounts on Approved Spa Products and Services and, depending on the membership level, a pre-fixed level of base Spa Products and Services provided at no additional cost. Generally, Membership Programs are offered on a month-to-month basis or based on a six-month agreement.

(l) Miscellaneous – refers to Gross Sales generated from Custom Packages and consultation fees.

(m) New Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet and not as an Operational Company Owned Outlet. If this Company Owned Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2024 Calendar Year.

(n) New Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that for the first time opened and commenced operations during the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet. If this Franchise Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2024 Calendar Year.

(o) Operational Company Owned Outlet – means, as to a particular Calendar Year, a Company Owned Outlet that was open and in operation on or prior to the first day of the Calendar Year. For example, if a Company Owned Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Company Owned Outlet would qualify as a New Company Owned Outlet and not as an Operational Company Owned Outlet. If this Company Owned Outlet remained in operation throughout the 2024 Calendar Year, it would qualify as an Operational Company Owned Outlet during the 2024 Calendar Year.

(p) Operational Franchise Outlet – means, as to a particular Calendar Year, a Franchise Outlet that was open and in operation on or prior to the first day of the Calendar Year. For example, if a Franchise Outlet first opened for business in February 2023, as to the 2023 Calendar Year, the Franchise Outlet would qualify as a New Franchise Outlet and not as an Operational Franchise Outlet. If this Franchise Outlet remained in

operation throughout the 2024 Calendar Year, it would qualify as an Operational Franchise Outlet during the 2024 Calendar Year.

(q) Retail Products – refers to retail product sales that include skin care lotions, cleansers, moisturizers, correcting creams, eye lash growth serums, and other designated products authorized for sale on-site at the location of a VIO Med Spa Business.

(r) Skin Rejuvenation – refers to skin care related services that include microneedling, microneedling with radio frequency, chemical peels, plasma fibroblast, intense pulsed light therapy, platelet-rich plasma face and skin therapy.

(s) Spa Gross Sales – means the total revenue derived by each Spa less sales tax, discounts, allowances and returns. If a Franchise Outlet operates as a Spa Management Business, Gross Sales do not relate to the Gross Sales generated by the Spa Management Business but, rather, to the underlying Spa.

(t) Spa Services – refers to sales related to spa facials, and specialized facials including HydraFacial, Geneo facials, Dermaplaning, and LED Light Therapy.

(u) Wellness – refers to wellness related services that include IV therapy, peptides, medical weight loss, and hormone replacement therapy.

(v) Unique Member – refers to each unique VIO customer that is subscribed to a Membership Program during a particular Calendar Year.

BASES AND ASSUMPTIONS

The financial information was not prepared on a basis consistent with generally accepted accounting principles during the respective calendar year periods. Data for the Franchise Outlets is based on financial information reported to us by our franchisees. Data for our Company Owned Outlets is based on information reported to us by our affiliate. The information in this analysis has not been audited, is based on historical financial data and is not a forecast or projection of future financial performance.

ANALYSIS OF RESULTS OF COMPANY OWNED OUTLETS

In this Item 19, as to each respective Calendar Year, we provide data for Outlets that qualified as Operational Company Owned Outlets. During the 2024 Calendar Year, we had three Operational Company Owned Outlets and one New Company Owned Outlet. We do not include data for New Franchise Outlets that were not open for the 2024 Calendar Year. We exclude the data of three Outlets which originally operated as an independent brand that each converted to VIO Med Spas and thereafter sold to franchisees during the 2024 Calendar Year and did not operate as Company Owned Outlets for the full duration of the 2024 Calendar Year.

Material financial and operational characteristics that are reasonably anticipated to differ from future operational franchise outlets include: (a) managerial skill and efficiency experienced by our Company Owned Outlets as a result of our extensively experienced management team; (b) brand recognition within the local markets in which our Company Owned Outlets operate; and (c) no obligation to pay ongoing monthly fees that a franchisee will pay to us, such as Royalty Fees and Brand Development Fund Fees.

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Table 1

VIO Med Spa Company Owned Outlet 1* Spa Gross Sales Information		
Spa Gross Sales by Category	2024 Calendar Year	
	Total	Percentage
Gross Sales: Body Contouring	\$86,282	2.0%
Gross Sales: Injectables	\$1,302,253	30.0%
Gross Sales: Membership Fees	\$1,384,527	31.8%
Gross Sales: Retail Products	\$471,649	10.9%
Gross Sales: Skin Rejuvenation	\$327,278	7.5%
Gross Sales: Spa Services	\$172,554	4.0%
Gross Sales: Gift Cards	\$156,695	3.6%
Gross Sales: Wellness	\$445,293	10.2%
Gross Sales: Miscellaneous	\$1,309	>0.0%
Total Spa Gross Sales	\$4,347,840	100.0%
*Outlet Information: This Company Owned Outlet opened for business in October 2016 as Skin Deep Medi Spa and, on January 30, 2018, was converted to a VIO Med Spa. This Outlet operates as a Spa and not as a Spa Management Business.		

Table 2

VIO Med Spa Company Owned Outlet 2* Spa Gross Sales Information		
Spa Gross Sales by Category	2024 Calendar Year	
	Total	Percentage
Gross Sales: Body Contouring	\$132,743	5.3%
Gross Sales: Injectables	\$785,104	31.2%
Gross Sales: Membership Fees	\$804,525	32.0%
Gross Sales: Retail Products	\$189,693	7.5%
Gross Sales: Skin Rejuvenation	\$177,475	7.1%
Gross Sales: Spa Services	\$94,839	3.8%
Gross Sales: Gift Cards	\$31,333	1.2%
Gross Sales: Wellness	\$266,708	10.6%
Gross Sales: Miscellaneous	\$32,110	1.3%
Total Spa Gross Sales	\$2,514,530	100.0%
*Outlet Information: This Company Owned Outlet opened for business in February 2020 and operates as a Spa and not as a Spa Management Business.		

Table 3

VIO Med Spa Company Owned Outlet 3* Spa Gross Sales Information		
Spa Gross Sales by Category	2024 Calendar Year	
	Total	Percentage
Gross Sales: Body Contouring	\$5,998	1.5%
Gross Sales: Injectables	\$121,111	29.6%
Gross Sales: Membership Fees	\$67,543	16.5%
Gross Sales: Retail Products	\$49,798	12.2%
Gross Sales: Skin Rejuvenation	\$41,608	10.2%
Gross Sales: Spa Services	\$34,945	8.5%
Gross Sales: Gift Cards	\$14,234	3.5%
Gross Sales: Wellness	\$72,581	17.8%

Gross Sales: Miscellaneous		\$710	0.2%
Total Spa Gross Sales		\$408,528	100.00%
<p>*Outlet Information: This Company Owned Outlet opened for business in September 2023 and operates as a Spa and not as a Spa Management Business. In January 2025 this Outlet was sold to a franchisee but qualifies as an Operational Company Outlet for the 2024 Calendar Year.</p>			

ANALYSIS OF RESULTS OF OPERATIONAL FRANCHISE OUTLETS

In this Item 19, as to each respective Calendar Year, we provide data for Outlets that qualified as Operational Franchise Outlets. During the 2024 Calendar Year, we had 27 Operational Franchise Outlets and 25 New Franchise Outlets. As to the 2024 Calendar Year, out of the 25 New Franchise Outlets, three Outlets were originally operated as an independent brand prior to being acquired and converted to VIO Med Spas that were owned and operated as Company Owned Outlets and thereafter sold to franchisees during the 2024 Calendar Year so, for purposes of this Item 19, we identify them as New Franchise Outlets and exclude their data since they were not operated as Franchise Outlets for the full duration of the 2024 Calendar Year. Additionally, as to the 2024 Calendar Year, we do not include data for one Franchise Outlet that experienced an interruption in operations during the respective Calendar Year. We do not include data for New Franchise Outlets that were not open for the 2024 Calendar Year.

The data reported below is limited to Spa Gross Sales. For Operational Franchise Outlets that operate as a Spa Management Business we do not provide gross sales or data related to the Spa Management Business but, rather, report Spa Gross Sales only related to the underlying Spa that is managed by the Spa Management Business. The gross sales, revenues, and income generated and earned by a Spa Management Business are different from the Gross Sales of a Spa. We do not offer or provide gross sales or financial data related to a Spa Management Business.

Table 4

All Operational Franchise Outlets¹				
2024 Calendar Year Spa Gross Sales				
Calendar Year	Average	Median	High	Low
2024	\$1,370,365	\$1,186,907	\$5,093,829	\$423,440
<p>¹ <u>2024 Outlet Data</u> – During the 2024 Calendar Year we had a total of 27 Operational Franchise Outlets. Eight of these Outlets operated as a Spa and 19 operated as a Spa Management Business. As to the reported data: (a) there were 10 Outlets above the Average and 17 below the Average; and (b) there were 13 Outlets above the Median and 14 below the Median.</p>				

Table 5

All Operational Franchise Outlets Operating for Two or More Calendar Years¹				
2024 Calendar Year Spa Gross Sales Data				
Calendar Year	Average	Median	High	Low
2024	\$1,588,544	\$1,259,353	\$5,093,829	\$515,001
<p>¹ <u>2024 Outlet Data Overview</u> – For 2024, the data compiled in this Table 5 is based on 14 Operational Franchise Outlets that were open and in operation for two or more Calendar Years, including the</p>				

respective Calendar Year reported. Of the 14 Operational Franchise Outlets that were open and in operation for two or more Calendar Years, four were above the Average and 10 were below the Average and, seven were above the Median and seven were below the Median.

Table 6

All Operational Franchise Outlets Operating for Three or More Calendar Years ¹				
2024 Calendar Year Spa Gross Sales Data				
Calendar Year	Average	Median	High	Low
2024	\$2,052,539	\$1,361,242	\$5,093,829	\$1,186,907

¹ 2024 Outlet Data Overview – For 2024, the data compiled in this Table 6 is based on eight Operational Franchise Outlets that were open and in operation for three or more Calendar Years, including the respective Calendar Year reported. Of the eight Operational Franchise Outlets that were open and in operation for three or more Calendar Years, two were above the Average and six were below the Average and, four were above the Median and four were below the Median.

Table 7

All Operational Franchise Outlets Operating for Four or More Calendar Years ¹				
2024 Calendar Year Spa Gross Sales Data				
Calendar Year	Average	Median	High	Low
2024	\$2,383,162	\$1,287,317	\$5,093,829	\$1,186,907

¹ 2024 Outlet Data Overview – For 2024, the data compiled in this Table 7 is based on five Operational Franchise Outlets that were open and in operation for four or more Calendar Years, including the respective Calendar Year reported. Of the five Operational Franchise Outlets that were open and in operation for four or more Calendar Years, two were above the Average and three were below the Average and, two were above the Median and three were below the Median.

Some Outlets have earned this amount. Your individual results may differ. There is no assurance that 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 representations, VIO Franchise Group, LLC does 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 Ryan Rose, Chief Executive Officer, VIO Franchise Group, LLC at 3991 North Jefferson Street, Medina, Ohio 44256 and (440) 238-6898, the Federal Trade Commission, and the appropriate state regulatory agencies.

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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	9	15	+6
	2023	15	29	+14
	2024	29	53	+24
Company Owned	2022	1	1	0
	2023	2	5	+3
	2024	5	3	-2
Total Outlets	2022	10	16	+6
	2023	16	34	+18
	2024	34	56	+22

TABLE NO. 2
TRANSFER OF OUTLETS FROM FRANCHISEES TO NEW OWNERS
(OTHER THAN THE FRANCHISOR)
FOR YEARS 2022 to 2024

State	Year	Number of Transfers
Colorado	2022	1
	2023	0
	2024	0
Total	2022	1
	2023	0
	2024	0

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