

		which will not alter your obligations under the Multi-Unit Development Agreement.
t. Integration/merger clauses	7.12	The Multi-Unit Development Agreement is the entire agreement between you and us relating to the development of the Territory. Notwithstanding the foregoing, nothing in any agreement is intended to disclaim the express representations made in the Franchise Disclosure Document, its exhibits and amendments.
u. Dispute resolution by arbitration or mediation	7.5, 7.6	Except for certain claims for injunctive relief, all disputes must first be submitted to non-binding mediation in Monroe County, New York and, if mediation is unsuccessful, then to binding arbitration in Monroe County, New York. This provision is subject to applicable state law.
v. Choice of forum	7.5, 7.6	All mediation, arbitration and, if applicable, litigation proceedings must be conducted in, or closest to, New York court of general jurisdiction that is within or closest to Monroe County, New York. This provision is subject to applicable state law.
w. Choice of law	7.5, 7.6	Delaware law will govern. However, this provision is subject to applicable 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 in our management.

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) Calendar Year – means, as to each respective year, the 12 month period commencing on January 1 and ending on December 31.

(b) 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. A Company Owned Outlet also includes any Outlet that 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 that is managed by us, our affiliate or any person identified in Item 2.

(c) Direct Cost of Goods and Services Sold – means the direct non-managerial and non-administrative cost of goods sold and labor incurred by an Outlet in directly providing the Approved Services and Products, comprised of the following expenses: Direct Labor Gross Wages and Taxes and Inventory, Equipment, and Supplies. Direct Cost of Goods and Services Sold does not include managerial labor and expenses, administrative labor and expenses, Disclosed Expenses, operating expenses, or general expenses including, but not limited to, interest, taxes, depreciation, amortization, and franchise related expenses including Royalty Fees, Brand Development Fund Fees, Technology Fees, or local marketing expenses.

(d) Direct Gross Profit – means Gross Sales less Direct Cost of Goods and Services Sold. Direct Gross Profit is not net profit or income and, except as to Direct Cost of Goods and Services Sold, does not include the deduction of all other expenses incurred by an iSmash Center including, but not limited to, Disclosed Expenses, operating expenses, or general expenses including, but not limited to, interest, taxes, depreciation, amortization, and franchise related expenses including Royalty Fees, Brand Development Fund Fees, Technology Fees, or local marketing expenses.

(e) Disclosed Expenses – refers to a limited selection of expenses as disclosed in the tables to this Item 19, comprised of the following select expense categories: rent, utilities, facility maintenance, marketing, and office supplies.

(f) Franchise Outlet – refers to an iSmash Center operated under a Franchise Agreement that is not a Company Owned Outlet.

(g) Franchise Related Expenses – means the following select fees required under the Franchise Agreements: Royalty Fees, Brand Development Fund Fees, Technology Fees, and digital marketing program fees. Franchise Related Expenses do not include all fee and payment obligations required under a Franchise Agreement. The Franchise Related Expenses do not include imputed local marketing expenses as each Company Owned Outlet exceeded the local marketing requirement which has been included. The Franchise Related Expenses for the Company Owned Outlets are imputed to what the outlet would pay have paid in the calendar year disclosed, and the Franchised Related Expenses for the Franchise Outlet are the actual amounts paid by the Franchise Outlet.

(h) Gross Sales – means the total revenue derived by each outlet less sales tax, discounts, allowances, and returns.

(i) Outlet – refers to either a Company Owned Outlets or Franchise Outlet, as the context requires.

(j) iSmash Services Offered – refers to the smashing service that involves smashing common household items using instruments such as baseball bats, crowbars, and sledgehammers, splatter paint, axe throwing and offering parties at the iSmash Center.

BASES AND ASSUMPTIONS

The financial information was not prepared on a basis consistent with generally accepted accounting principles. Below is the historical representation of our company-owned outlets and franchisee outlets that have been opening and operating for 12 months as of December 31, 2024. Data for our Company Owned Outlets is based on information reported to us by our affiliates. Data from our Franchisee Outlets was

provided either from software or directly from franchisees. 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. Material financial and operational characteristics that are reasonably anticipated to differ from future operational franchise outlets include: no obligation to pay ongoing monthly fees that a franchisee will pay to us, such as royalties and a brand development fund fee.

COMPANY OWNED OUTLETS

We have two Company Owned Outlets, one in Rochester, New York (the “Rochester Outlet”) and the other in Syracuse, New York (the “Syracuse Outlet”). The Rochester Outlet has been in operations since October 2018 and operated under the brand name “Smash Therapy” and now operates under the “iSmash” brand name. The territory for the Rochester Outlet includes approximately 206,848 people. The Syracuse Outlet has been in operation since October 2021 and operated under the brand name “Smash Therapy” and now operates under the “iSmash” brand name. The territory for the Syracuse Outlet includes approximately 142,874 people.

In Tables 1 and 2 we report financial performance data of our Rochester Outlet and our Syracuse Outlet for the 2023 Calendar Year and 2024 Calendar Year.

Table 1

Company Owned Outlet: Rochester Outlet				
	2023 Calendar Year		2024 Calendar Year	
	Total	%	Total	%
Gross Sales	\$893,981.14	100%	\$976,331.16	100%
Less: Direct Cost of Goods and Services Sold				
Direct Labor Gross Wages and Taxes	\$157,398.00	17.61%	\$164,923.25	16.89%
Inventory	\$95,365.65	10.67%	\$100,516.71	10.30%
Direct Gross Profit	\$641,217.49	71.73%	\$710,891.20	72.81%
Less: Disclosed Expenses				
Equipment and Supplies	\$61,090.35	6.83%	\$65,881.39	6.75%
Rent	\$93,570.36	14.67%	\$95,903.16	9.82%
Utilities	\$20,624.24	2.31%	\$35,482.78	3.63%
Facility Maintenance	\$7,480.58	0.84%	\$6,559.02	0.67%
Marketing	\$61,450.00	6.87%	\$86,620.01	8.87%
Office Supplies	\$11,274.62	1.26%	\$1,867.07	0.19%
Software and Technology	\$5,869.79	0.66%	\$4,680.31	0.48%
Insurance	\$9,483.03	1.06%	\$7,554.97	0.77%
Automobile	\$3,791.82	0.42%	\$8,952.25	0.92%
Total Disclosed Expenses	\$274,634.79	30.72%	\$313,500.96	32.11%
Direct Gross Profit Minus Disclosed Expenses	\$366,582.70	41%	\$397,390.24	40.70%
Less: Adjustments for Franchise Related Expenses				
Royalty Fee	\$53,638.87	6.0%	\$58,579.87	6.0%
Brand Development Fund Fee	\$0.00	0.00%	\$0.00	0.00%
Technology Fee	\$3,000.00	.34%	\$3,000.00	0.31%
Digital Marketing Program Fee	\$7,140.00	2.29%	\$9,000.00	0.92%
Total Franchise Related Expenses	\$63,778.87	7.13%	\$70,579.87	7.22%
Direct Gross Profit After Disclosed Expenses and Franchisee Related Expenses	\$302,803.83	33.87%	\$326,810.37	33.47%

Table 2

Company Owned Outlet: Syracuse Outlet				
	2023 Calendar Year		2024 Calendar Year	
	Total	%	Total	%
Gross Sales	\$397,279.23	100%	\$446,222.72	100%
Less: Direct Cost of Goods and Services Sold				
Direct Labor Gross Wages and Taxes	\$97,159.86	24.47%	\$104,324.81	23.38%
Inventory	\$26,690.12	6.72%	\$42,985.59	9.63%
Direct Gross Profit	\$273,429.25	68.83%	\$298,912.32	66.99%
Less: Disclosed Expenses				
Equipment and Supplies	\$17,168.63	4.32%	\$34,828.38	7.81%
Rent	\$84,166.55	21.19%	\$101,692.56	22.79%
Utilities	\$22,247.36	5.60%	\$24,574.15	5.51%
Facility Maintenance	\$1,154.97	0.29%	\$1,154.97	0.26%
Marketing	\$24,677.60	6.21%	\$38,870.66	8.71%
Office Supplies	\$1,765.00	0.44%	\$4,542.72	1.02%
Software and Technology	\$2,932.93	0.74%	\$1,778.00	0.40%
Insurance	\$3,792.57	0.95%	\$2,570.47	0.58%
Automobile	\$687.05	0.17%	\$1,001.02	0.22%
Total Disclosed Expenses	\$158,592.66	39.92%	\$211,012.93	47.28%
Direct Gross Profit After Disclosed Expenses	\$114,836.59	28.91%	\$87,899.39	19.70%
Less: Adjustments for Franchise Related Expenses				
R royalty Fee	\$23,836.75	6.0%	\$26,773.36	6%
Brand Development Fund Fee	\$0.00	0.0%	\$0.00	0.00%
Technology Fee	\$3,000.00	0.76%	\$3,000.00	0.67%
Digital Marketing Program Fee	\$7,140.00	1.80%	\$9,000.00	2.02%
Total Franchise Related Expenses	\$33,976.75	8.55%	\$38,773.36	8.69%
Direct Gross Profit After Disclosed Expenses and Franchisee Related Expenses	\$80,859.84	20.35%	\$49,126.03	11.00%

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FRANCHIED OWNED OUTLETS

We have two Franchise Outlets that have been opened and operating for twelve months as of December 31, 2024. One outlet is located in Farmingdale, New York (the “Farmingdale Outlet”) and the other in Tampa, Florida (the “Tampa Outlet”). In Tables 3 and 4 below we report the financial performance data of the Farmingdale Outlet and the Tampa Outlet for the 2024 Calendar Year.

Table 3

Franchise Outlet: Farmingdale Outlet		
	2024 Calendar Year	
	Total	%
Gross Sales	\$873,505.37	100%
Less: Direct Cost of Goods and Services Sold		
Direct Labor Gross Wages and Taxes	\$145,787.40	16.69%
Inventory	\$117,612.45	13.46%
Direct Gross Profit	\$610,105.52	69.85%
Less: Disclosed Expenses		
Equipment and Supplies	\$31,834.95	3.64%
Rent	\$127,468.11	14.59%
Utilities	\$21,998.73	2.52%
Facility Maintenance	\$5,996.71	0.69%
Marketing	\$55,220.80	6.32%
Office Supplies	\$1,659.82	0.19%
Software and Technology	\$1,402.79	0.16%
Insurance	\$12,168.14	1.39%
Automobile	\$19,952.86	2.28%
Total Disclosed Expenses	\$277,702.91	31.79%
Direct Gross Profit After Disclosed Expenses	\$332,402.61	38.05%
Less: Adjustments for Franchise Related Expenses		
R royalty Fee	\$52,410.32	6.00%
Brand Development Fund Fee	\$0.00	0.0%
Technology Fee	\$3,000.00	.34%
Digital Marketing Program	\$7,140.00	.45%
Total Franchise Related Expenses	\$62,550.32	7.16%
Direct Gross Profit After Disclosed Expenses and Franchisee Related Expenses	\$269,852.29	30.89%

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Table 4

Franchise Outlet: Tampa Outlet		
	2024 Calendar Year	
	Total	%
Gross Sales	\$664,719.25	100%
Less: Direct Cost of Goods and Services Sold		
Direct Labor Gross Wages and Taxes	\$75,726.89	11.39%
Inventory	\$63,604.55	9.57%
Direct Gross Profit	\$525,387.81	79.04%
Less: Disclosed Expenses		
Equipment and Supplies	\$29,172.88	4.39%
Rent	\$187,243.36	28.17%
Utilities	\$10,334.12	1.55%
Facility Maintenance	\$7,068.09	1.06%
Marketing	\$62,614.47	9.42%
Office Supplies	\$1,089.65	0.16%
Software and Technology	\$5,994.76	0.90%
Insurance	\$18,180.78	2.74%
Automobile	\$8,321.53	1.25%
Total Disclosed Expenses	\$330,019.64	49.65%
Direct Gross Profit After Disclosed Expenses	\$195,368.17	29.39%
Less: Adjustments for Franchise Related Expenses		
R royalty Fee	\$39,883.16	6.0%
Brand Development Fund Fee	\$0.00	0.0%
Technology Fee	\$3,000.00	.34%
Digital Marketing Program	\$7,140.00	1.07%
Total Franchise Related Expenses	\$50,023.16	7.53%
Direct Gross Profit After Disclosed Expenses and Franchisee Related Expenses	\$145,345.01	21.87%

In Table 5 below, we disclose the Gross Sales of our Company Owned Outlets from the 2021, 2022, 2023 and 2024 Calendar Years. The Rochester Outlet opened in 2018. The Syracuse Outlet opened in 2021 and we have included the first full year of operations for the Syracuse Outlet.

Table 5

Annual Gross Sales	Rochester Outlet	Syracuse Outlet
2021 Calendar Year	\$524,533.09	N/A
2022 Calendar Year	\$630,109.48	\$286,575.00
2023 Calendar Year	\$893,981.14	\$397,279.23
2024 Calendar Year	\$976,331.16	\$446,222.72

In Table 6 below, we disclose the Gross Sales of our Franchise Outlets for the 2024 Calendar Year. Both the Farmingdale Outlet and Tampa Outlet's first full year of operations was the 2024 Calendar Year.

Table 6

Annual Gross Sales	Farmingdale Outlet	Tampa Outlet
2024 Calendar Year	\$873,505.37	\$664,719.25

In Tables 7 through 9 below, we disclose historical information about the first 120 days for each of our five Franchise Outlets that have been opening and operating for 120 days. In Table 5, we disclose the average, median, high and low Gross Sales for our Franchise Outlets within the first 120 days of their operations. In Table 6, we disclose the average, median, high and low number of bookings each Franchise Outlets had within the first 120 days of their operations. In Table 7, we disclose the average, median, high and low number of customers each Franchise Outlets had within the first 120 days of their operations.

Table 7

	Gross Sales
Average	\$187,052.74
Median	\$157,820.98
High	\$333,347.92
Low	\$135,061.20

Table 8

	Bookings
Average	837
Median	669
High	1,445
Low	568

Table 9

	Customers
Average	2,325
Median	1,863
High	4,391
Low	1,484

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In Tables 10 and 11 below, we disclose the monthly Gross Sales attributed to the particular iSmash Service Offered at the iSmash Center for each of our Company Owned Outlets for the 2024 Calendar Year.

Table 10

Company Owned Outlet: Rochester Outlet									
	Smash		Paint		Axe		Parties		
	Gross Sales	% of Gross Sales	Gross Sales	% of Gross Sales	Gross Sales	% of Gross Sales	Gross Sales	% of Gross Sales	Total
January	\$48,744.60	55.42%	\$7,882.11	8.96%	\$6,986.72	7.94%	\$24,347.41	27.68%	\$87,960.84
February	\$74,540.04	62.51%	\$17,623.83	14.78%	\$9,445.02	7.92%	\$17,627.00	14.78%	\$119,235.89
March	\$57,309.60	57.16%	\$14,451.11	14.41%	\$9,822.12	9.80%	\$18,674.74	18.63%	\$100,257.57
April	\$62,726.98	64.48%	\$12,574.98	12.93%	\$8,656.40	8.90%	\$13,329.40	13.70%	\$97,287.76
May	\$46,676.86	62.73%	\$8,061.55	10.83%	\$5,669.12	7.62%	\$14,001.86	18.82%	\$74,409.39
June	\$37,241.60	62.23%	\$7,320.50	12.23%	\$5,221.50	8.72%	\$10,064.72	16.82%	\$59,848.32
July	\$38,361.96	60.01%	\$8,946.40	13.99%	\$4,896.72	7.66%	\$11,723.50	18.34%	\$63,928.58
August	\$44,993.04	59.97%	\$11,401.02	15.20%	\$6,280.20	8.37%	\$12,355.56	16.47%	\$75,029.82
September	\$38,747.80	60.99%	\$8,573.64	13.49%	\$4,257.90	6.70%	\$11,952.86	18.81%	\$63,532.20
October	\$44,505.12	61.01%	\$7,075.82	9.70%	\$5,115.62	7.01%	\$16,254.28	22.28%	\$72,950.84
November	\$54,468.57	65.78%	\$10,127.48	12.23%	\$6,048.00	7.30%	\$12,164.62	14.69%	\$82,808.67
December	\$50,142.48	63.41%	\$9,603.56	12.14%	\$7,690.92	9.73%	\$11,644.32	14.72%	\$79,081.28
Total	\$598,458.65		\$123,642.00		\$80,090.24		\$174,140.27		\$976,331.16

Table 11

Company Owned Outlet: Syracuse Outlet									
	Smash		Paint		Axe		Parties		
	Gross Sales	% of Gross Sales	Gross Sales	% of Gross Sales	Gross Sales	% of Gross Sales	Gross Sales	% of Gross Sales	Total
January	\$24,534.62	60.51%	\$5,066.94	12.50%	\$3,045.64	7.51%	\$7,899.00	19.48%	\$40,546.20
February	\$30,878.87	67.79%	\$7,942.44	17.44%	\$2,022.32	4.44%	\$4,706.97	10.33%	\$45,550.60
March	\$30,309.22	67.38%	\$6,221.05	13.83%	\$2,212.15	4.92%	\$6,239.61	13.87%	\$44,982.03
April	\$28,121.88	65.04%	\$7,658.87	17.71%	\$3,168.91	7.33%	\$4,287.67	9.92%	\$43,237.33
May	\$21,848.62	59.61%	\$6,163.03	16.81%	\$2,505.02	6.83%	\$6,137.24	16.74%	\$36,653.91
June	\$15,830.47	58.02%	\$5,135.77	18.82%	\$2,123.25	7.78%	\$4,193.87	15.37%	\$27,283.36
July	\$19,169.12	58.85%	\$5,567.80	17.09%	\$2,277.61	6.99%	\$5,561.14	17.07%	\$32,575.67
August	\$22,857.93	64.51%	\$7,109.64	20.07%	\$1,090.60	3.08%	\$4,373.61	12.34%	\$35,431.78
September	\$18,532.62	55.93%	\$4,611.37	13.92%	\$1,989.55	6.00%	\$8,003.30	24.15%	\$33,136.84
October	\$21,025.94	66.98%	\$5,201.25	16.57%	\$2,066.98	6.58%	\$3,096.18	9.86%	\$31,390.35
November	\$27,895.72	69.98%	\$5,462.04	13.70%	\$1,738.04	4.36%	\$4,766.37	11.96%	\$39,862.17
December	\$21,970.90	61.76%	\$5,560.73	15.63%	\$2,498.81	7.03%	\$5,542.04	15.58%	\$35,572.48
Total	\$282,975.91		\$71,700.93		\$26,738.88		\$64,807.00		\$446,222.72

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In Tables 12 and 13 below, we disclose the monthly Gross Sales attributed to the particular iSmash Service Offered at the iSmash Center for our Franchise Outlet opening for a full 12 months for the 2024 Calendar Year. The Farmingdale Outlet does not offer the axe throwing as part of its Services Offered.

Table 12

Franchise Outlet: Farmingdale Outlet							
	Smash		Paint		Parties		
	Gross Sales	% of Gross Sales	Gross Sales	% of Gross Sales	Gross Sales	% of Gross Sales	Total
January	\$44,666.10	62.72%	\$5,184.23	7.28%	\$21,361.35	30.00%	\$71,211.68
February	\$70,593.24	73.32%	\$9,260.28	9.62%	\$16,433.13	17.07%	\$96,286.65
March	\$68,491.35	84.35%	\$8,032.70	9.89%	\$4,670.22	5.75%	\$81,194.27
April	\$61,671.42	62.86%	\$17,743.73	18.09%	\$18,686.55	19.05%	\$98,101.70
May	\$47,690.61	64.72%	\$7,657.97	10.39%	\$18,335.28	24.88%	\$73,683.86
June	\$34,301.21	77.86%	\$3,737.73	8.48%	\$6,018.10	13.66%	\$44,057.04
July	\$35,532.03	64.33%	\$11,685.92	21.16%	\$8,016.91	14.51%	\$55,234.86
August	\$42,149.11	64.89%	\$10,041.36	15.46%	\$12,763.12	19.65%	\$64,953.59
September	\$48,609.69	69.58%	\$9,553.49	13.68%	\$11,694.03	16.74%	\$69,857.21
October	\$41,989.61	71.95%	\$5,604.98	9.60%	\$10,764.71	18.45%	\$58,359.30
November	\$60,324.67	72.42%	\$8,358.61	10.03%	\$14,618.32	17.55%	\$83,301.60
December	\$59,899.45	77.53%	\$6,636.92	8.59%	\$10,727.24	13.88%	\$77,263.61
Total	\$615,918.49		\$103,497.92		\$154,088.96		\$873,505.37

Table 13

Franchise Outlet: Tampa Outlet							
	Smash		Paint		Axe		
	Gross Sales	% of Gross Sales	Gross Sales	% of Gross Sales	Gross Sales	% of Gross Sales	Total
January	\$29,767.91	58.80%	\$5,729.20	11.32%	\$3,470.37	6.86%	\$11,657.19
February	\$33,658.62	70.66%	\$4,595.40	9.65%	\$2,611.40	5.48%	\$6,769.76
March	\$38,135.37	67.76%	\$8,875.42	15.77%	\$2,320.42	4.12%	\$6,947.20
April	\$30,539.20	55.62%	\$5,974.73	10.88%	\$1,818.83	3.31%	\$16,578.86
May	\$33,475.97	59.88%	\$7,741.24	13.85%	\$2,583.18	4.62%	\$12,105.72
June	\$41,157.22	65.31%	\$8,390.95	13.31%	\$4,161.07	6.60%	\$9,312.18
July	\$41,169.96	65.41%	\$11,255.14	17.88%	\$3,456.62	5.49%	\$7,056.91
August	\$35,870.42	60.74%	\$8,118.67	13.75%	\$3,306.12	5.60%	\$11,759.50
September	\$27,734.32	55.71%	\$4,941.19	9.93%	\$2,970.01	5.97%	\$14,137.38
October	\$22,456.59	51.58%	\$3,939.74	9.05%	\$1,406.92	3.23%	\$15,734.34
November	\$37,695.47	65.58%	\$5,794.04	10.08%	\$2,942.37	5.12%	\$11,050.49
December	\$47,532.00	74.80%	\$6,970.51	10.97%	\$2,098.58	3.30%	\$6,944.55
Total	\$419,193.05		\$82,326.23		\$33,145.89		\$664,719.25

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In Tables 14 through 19, we provide the monthly booking and customer data attributed to the particular iSmash Service Offered at the iSmash Center for each of our Company Owned Outlets for the 2024 Calendar Year.

Table14

Company Owned Outlet: Rochester Outlet		
Smash – iSmash Service Offered		
Month	Bookings	Customers
January	396	1,100
February	570	1,643
March	497	1,357
April	506	1,476
May	361	1,098
June	305	860
July	333	900
August	401	1,121
September	305	844
October	347	940
November	480	1,380
December	387	1,086
Total	5,295	14,955

Table 15

Company Owned Outlet: Rochester Outlet		
Paint – iSmash Service Offered		
Month	Bookings	Customers
January	79	231
February	134	444
March	117	327
April	111	339
May	66	231
June	73	207
July	89	281
August	113	327
September	72	234
October	56	171
November	92	313
December	73	238
Total	1,165	3,622

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